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Vol.9, Bk.7

TOMBSTONE

Mining District

Cochise Co.

Arizona

Correspondence

1984

1984

MEMO

TO: James A. Briscoe/Tombstone Development Company
Stockholders

FROM: Thomas E. Waldrip, Jr.

DATE: January 23, 1984

RE: Work requirements and expenditures due on state
prospecting permits and unpatented mining claims,
Tombstone Mining District, Cochise County, Arizona during
calendar year 1984.

Gentlemen:

Pursuant to rules and regulations of Assessment work due for state ground held by prospecting permit in the Tombstone Mining District, a yearly expenditure of \$10 per acre must be performed on each individual section (prospecting permit) to keep prospecting permits valid. This work must consist of technical studies related to geologic exploration, geophysical exploration or geochemical exploration, to prove or disprove the occurrence or non-occurrence of valuable mineralization in place upon, or within, the boundaries of each prospecting permit area. Therefore, during the 1984 calendar year, exploration work of a geological character must be performed on the following six prospecting permit areas:

Section	Township	Range	Acreage	Period by when work must be accomplished for renewal of lease
8	20S.	22E.	236.76	10/04/84
18	20S.	22E.	603.00	05/12/84
19	20S.	22E.	642.72	05/12/84
29	20S.	22E.	320.00	03/19/84
30	20S.	22E.	240.41	04/08/84
32	20S.	22E.	601.89	03/19/84

The total acreage for which exploration must be done is 2,646 acres, which at a \$10.00 per exploration requirement, amounts to \$26,460.00. to be expended during 1984. Broken down by period:

SECTION(S)	TOTAL ACRES	AMOUNT	REQUIRED BY
29 & 32	922 Acres @ \$10/acre =	\$ 9,220.00	03/19/84
30	241 Acres @ \$10/acre =	2,410.00	04/08/84
18 & 19	1246 Acres @ \$10/acre =	12,460.00	05/12/84
8	237 Acres @ \$10/acre =	2,370.00	10/04/84

MEMO

January 23, 1984

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No rental will be due on Section 8. This is due to the fact that during the initial first year rental period, a sum of 2 years rental was paid as required by law. Therefore, should necessary exploration expenditures not be performed on the prospecting permit area during the first calendar year, the prospect permittee would, as a consequence, have to forfeit his second yearly rental payment or perjur himself by filing falsified exploration expenditure documents.

On the other five sections (18, 19, 29, 30 & 32), a total of \$2,408.00 will need to be expended on rental to renew the permit for an additional year. This figure amounts to one dollar per acre or portion thereof on the above sections.

During the calendar year of 1984, an additional \$53,000.00 (\$100 x 530 lode mining claims) must be expended on assessment work. This work may include geological, geophysical, or geochemical studies, or any other technical studies which may prove or disprove the validity of economic mineral deposits being located within the boundary of claims held by Tombstone Development Company in the Tombstone Mining District. It is expected that a major portion of this expenditure may be used to generate reports and maps for the potential sale of the Tombstone Development Company's property within the Tombstone Mining District. Should, however, the total amount of \$53,000.00 not be expended prior to September 1, 1984, plans should be made prior to that time to perform additional work to meet the requirements to keep the lode mining claims valid.

In summary, approximately \$82,000.00 will need to be expended on both lands covered by State of Arizona prospecting permits and federal unpatented lode mining claims, as dictated by the schedule presented in this memo. It is therefore requested that budgets being developed for the 1984 calendar year to include these amounts so that appropriate funds may be forthcoming to carry out the necessary labor requirements.

Thomas E. Waldrup Jr.

Thomas E. Waldrup, Jr.

TEW/ms

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

February 1, 1984

Bill Hight, Frank Gallup, Lavern Baxter
Tombstone Development Company
P. O. Box 1445
Grand Island, NE 68802

RE: Monthly report on progress in the Tombstone District during
the month of January

Dear Bill, Frank, & Lavern:

SUMMARY

As of this date, we have accomplished the following:

1. We have reached a verbal agreement with Dennis Abbl, and hopefully will be ready to sign a lease option agreement with him in a couple of weeks - sooner if possible.
2. Permits for trench work on state land have been obtained.
3. Charlie and Louis Escapule are working on the parameters of a joint venture type working arrangement with TDC for the State of Maine area.
4. Secured most of the land in the potentially gold bearing area around the Tombstone airport. This consists of approximately 62 additional federal mining claims, and renewed and enlarged state prospecting permit application leases.
5. Photogeologic mapping has traced the Mustang vein for at least 18,000 feet, and possibly for as great as 24,000 feet (4.5 miles), into the State of Maine area.
6. The Mustang vein is approximately 600 feet wide where it crosses Tombstone Development Company state lease ground to the north of the Mustang claims themselves.

7. Nine mining companies have indicated varying degrees of immediate interest in the Tombstone area. Two of these, Amoco Minerals Corp. and possibly FMC Corporation have budgets for the Tombstone area. The most important of the contacts has been from Western States Mining Corporation, who has suggested a 50/50 joint venture in the area if their evaluation is positive.
8. Bob Crist has indicated an interest in leasing his claims in the Bunker Hill area - where Amoco will be working - to TDC, and fractions within that area have been recently staked and acquired by TDC.
9. Approximately 15% to 20% of the required technical assessment work for the federal mining claims has been accomplished as of this date.

During the month of January, as per your request, we have tried to push forward as rapidly as possible.

The major objective of finalizing a deal with Mr. Dennis Abbl could not be met because he was out of Arizona - he says - in Texas and Utah - and was incommunicado until Friday, January 27. As of that date, he has reviewed our last offer, and agreed to it -- if we pay him \$12,000 up front for a full year's lease/option. This, I felt, was not too much different than our previously discussed deal, i.e., \$7,000.00 for seven months, and \$5,000 for an additional five months. On obtaining your verbal permission to proceed on Saturday morning, Bill, Tom Waldrip started reviewing the agreement originally prepared for Robert Frederico. Because of our negotiations with Mr. Abbl, the deal has changed from a simple sales contract to a lease with option to purchase. Tom feels that using a lease/option agreement we have in our files is better, will be less time consuming and costly, than revamping the Frederico agreement. Thus, Mardee spent several hours Sunday typing the document into the computer. Tom, meanwhile, made changes appropriate to the Abbl agreement. Unfortunately, Tom, Mardee, and I were all down with the flu on Monday and Tuesday. We hoped to have things completed by Wednesday, but unfortunately this morning we had a burglar break into the house, and subsequently captured in the act by the police, and who, while being handcuffed, broke away resulting a chase involving about a dozen Sheriff and City of Tucson police officers and the police helicopter. After all the ensuing hassle, fingerprinting, crime lab photography, etc., the day has been pretty well shot so that I am afraid it will be Thursday before we can get this document to Bill Dolph. Hopefully we can

then get the thing to Abbl on Friday. A copy of the agreement is enclosed - though not reviewed by Dolph.

We would hope to get a signature from Abbl by the end of the week, on February 6. If we can get it signed, we should be able to start excavation Monday, February 13, and hopefully can get Dan Adams of United Nuclear Corporation (UNC) down from Albuquerque with the Silver MAP at the end of that week. If the start of trenching and assaying is delayed much beyond that time, we will run into further delays since Dan Adams already has commitments on his books for using the Silver MAP in Nevada and elsewhere. So we are proceeding as rapidly as is possible.

Other important developments have take place also. Of most importance is the recognition of the potential for Carlin-type disseminated gold, which might occur in the area of rhyolite dikes and sills near the airport. Because we did not have all of the land secured in that area, I didn't want to tell anyone until the land was secure. We have staked an additional 62 claims this past month, and have obtained additional state land via application for prospecting permits, so the land position is now relatively secure. I have informed several companies about the potential, and great interest was expressed by all. I will give you further details later on in this report.

I would like to review chronologically the work that Tom Waldrip and I have performed over the past month, and discuss how it fits with the project as a whole. The chronological list follows below.

ACTIVITY #1

Geologic-alteration-mineralization- photointerpretation of rectified 1" = 500' color verticle air photos covering about 12 square miles from Charleston to just south of the State of Maine mine, and covering the Mustang vein system, Robbers Roost breccia pipe, Charleston Lead Mine and veins at the Bronco Hill area. 3X magnifiers were used during this interpretation so mine shafts and prospects and other features 5' to 10' in diameter could be seen.

RESULTS

A zone of alteration approximately 3 miles wide and 6 miles long was mapped and identified. This zone ran off of the photos to the northeast, however, it probably continues on into the old part of the Tombstone District, giving it a total length of approximately 9 miles. Specific vein zones, faults and vegetation alignments and numerous mine shafts

and prospects could be identified within this zone. The Mustang vein zone could be clearly discerned. It could be followed as far south as the Charleston Lead Mine. Putting it another way, it appears to originate at the Charleston Lead Mine, and in that locality shows intense alteration of the wall rocks with zinc, lead, and presumed silver mineralization being present. It strikes north approximately 45 degrees east, and passes through the two Mustang claims, through state land held by prospecting permit by Tombstone Development Company, then on to ground held by Alanco, Seth Horne, Steve Henderson, and may possibly lie on strike with the State of Maine veins. The vein alteration zone is up to 400' wide on the Mustang claims, but widens to 600' or more on the state ground, and then appears to narrow to the north, getting progressively more narrow going toward the State of Maine. The vein dips southeasterly in the Mustang claims, and on the state ground. Sketch cross sections suggest that the source hydrothermal fluids, at least for the Mustang claim portion, may be within the Robbers Roost breccia pipe with the vein system intersecting breccia material and/or igneous intrusive rocks at a depth of about 2,500 feet. More importantly, the vein may pass into Bisbee or Paleozoic sediments lying beneath the Uncle Sam Tuff at a depth of 200 feet to 1,000 feet. At this point of intersection, significant bonanza, manto-type replacement ore bodies may be encountered.

The vein may be precisely followed for 12,000 feet, and less precisely followed for another 6,000 feet, for a total of 18,000 feet. It can probably be projected into the State of Maine area another 4,000' beyond the edge of the photos. This would give it a total projected length of approximately 4.5 miles. Since we know it contains silver at the Mustang claims and in the State of Maine area, the total potential ore, assuming the vein is silver bearing throughout, may be very substantial. Further, it intersects sedimentary rocks throughout its length, giving potential for bonanza type manto replacement ore bodies at depth.

Because it is controlled along its length by the Stewart Construction Company (Seth Horne) of Phoenix, Steve Henderson, and the Escapules, it is quite important to obtain a working relationship with all of these parties.

ACTIVITY #2

Reconnaissance to locate and flag state section boundaries and backhoe trench lines.

- A. Locate state land boundaries in the Robbers Roost area, and flag one trench line across intensely altered rock 300' southeast of the edge of Mustang II claim.
- B. Reconnoiter Mustang claim area.
- C. On the state land held by prospecting permit northeast of the Mustang claims (SE/4 Section 19, T.20S., R.22E.), onto which the Mustang vein strikes. Recon geology and layout of section boundaries was made.
- D. In state Section 32 (where the Terrible claim lies and is cut across by the Tombstone water line), T.20S., R.22E., geologic recon was performed. Photo interpretation showed a structural depression in Bisbee group sediments. Irregular or amoeba shaped areas of red mineralization could be seen on the color photos, corresponding with small prospect pit exploration holes. This areas was reconnoitered and confirmed that epithermal mineralization consisting of quartz and carbonate veins with limonite after pyrite, calc-silicate hornfels, and disseminated black manganese oxides in sandstone units in the Bisbee. It is concluded that test work should be performed in this area, as these are indications of possibly disseminated areas of mineralization within which might occur higher grade vein shoots containing silver and/or gold.

ACTIVITY #3

I met with Seth Horne, President of the James H. Stewart Construction Company in Phoenix in his offices in Phoenix. The purpose was to determine whether he wanted to cooperate with Tombstone Development Company in some type of a joint effort in the Tombstone District. No specifics were mentioned - it was merely to determine his interest or lack of interest in cooperating with Tombstone Development Company.

RESULTS

We reviewed maps. Determined that the well on the Charleston Lead Mine area was in good shape and could produce water. Also that power lines were still connected and service could be easily restored. Finally, Mr. Stewart was definitely interested in doing anything that could get interest in the project underway, stating "I have been working on this for more than 15 years now, and am getting

older and would like to see it brought to some kind of conclusion".

ACTIVITY #4

After leaving the meeting with Seth Horne at 4:00, I went to meet Mr. Bob Larkin, evaluator of state prospecting permit applications in the state land building in the state capitol complex. Carried with me were prospect permit applications for trenching on the state land adjacent to the Mustang claims, and also in Section 32 (the Terrible claim section). I met with Bob for approximately 45 minutes, and obtained promise from him that he would have the applications signed the next day and back on my desk. This subsequently was done, and the permits are in hand. This is quite important because they could have been held up by the state land department for as long as 180 days, or even denied.

I also tried to research documents that would show where Energy Reserves Group (now Goldsil Mining Company) had placed their drill holes on state land near the airport, which intersected gold mineralization. Unfortunately that document center closes at 4:00 so I was unable to do this. Bill Hight subsequently researched this material, and with some help from Bob Larkin, these data are now in hand.

ACTIVITY #5

Drove from the state capitol complex to Bill Hight's house, and discussed all of the above.

ACTIVITY #6

Started staking state mining claims over the hills south of the Tombstone Extension to cover remaining open federal ground. Paleozoic sediments in this area are intruded by 63 million year old rhyolite porphyry dikes, sills, and possible lacolithic bodies. The Energy Reserves Group's gold mineralization is associated with the same type of bodies near the Tombstone airport, and this ground has the geologic parameters that suggest gold mineralization.

RESULTS

Nineteen mining claims were put in covering Prompter Hill. Existing mine workings and silicification associated with rhyolite bodies were acquired.

ACTIVITY #7

Meeting with Steve Kay, Regional Geologist with Amselco (large British mining company subsidiary of British Petroleum - American Selection Trust), at my office in Tucson.

RESULTS

Discussed the Mustang vein system and showed Steve Kay the 500 scale color photo enlargements and associated transparent geologic overlays. Also discussed with him the potential for disseminated gold mineralization in the airport area. He was quite impressed and indicated that Amselco would have an interest in examining the ground and would schedule a geologist to make such an examination sometime in February.

ACTIVITY #8

Met with Mr. Robert Nussbaum in my office in Tucson. Mr. Nussbaum is the head of the United States division of the large German mining company Preussag AG. He had previously looked at the district one year ago. At that time Preussag was not particularly interested in precious metals. They have had a company policy change, and now are interested in precious metal work. Hence, his return for another meeting.

RESULTS

He is quite interested in the Mustang claim area, and will return as soon as we get our backhoe trenching and assay work done.

ACTIVITY #9

Met with geologists John C. Roberts and Peter C. Dwelley of the FMC Corporation.

RESULTS

FMC has been interested in Tombstone for the better part of the last year. However, they have been occupied with other projects, and apparently could not break anyone free to do more detailed work. One of these projects was just announced - a moderate sized open pit gold mine near Gabbs, Nevada. They are now preparing to do work in the Tombstone District, and will have a geologist in the field in the mid part of February. I reviewed with them, the Mustang vein

system and associated systems in the alteration zone between Charleston and the State of Maine, the mineralization in Section 32 (Terrible claim section), and also the potential gold mineralization in the airport area. They were strongly interested and requested that I get a quote on obtaining another set of color aerial photography for the entire district for their use.

ACTIVITY #10

Staked fifteen additional mining claims on the south flank of Prompter Hill.

RESULTS

Indication of silicification of Paleozoic sediments with attendant limonite after pyrite and associated prospect pits were much more prolific than I had previously expected. This gives additional support to the possible gold mineralization in this area.

ACTIVITY #11

Met with Bob Crist on Saturday, January 21, at the Wagon Wheel restaurant in Tombstone to determine whether there was interest in leasing his claims to Tombstone Development Company.

RESULTS

Initial indications of his interest in doing so were obtained. However, he has aspirations of rehabilitating one of the mine shafts on the Morning Star claim, and said that he didn't wish to do anything until that was completed. I suggested that perhaps we could work out some kind of a lease option arrangement where the underground work he anticipated would not be affected by the lease/option. He felt that that might be a good possibility, and expressed interest in such a proposition.

Recently, T.E.I. has removed substantial material from his patented claims without his permission. In the process, patent corners were destroyed, which will have to be resurveyed. Such damaging trespass could have significant financial repercussions for T.E.I., or if they abrogated their responsibility in that regard, then T.D.C. would be responsible. However, Bob has apparently worked out a deal with Dusty to his satisfaction, in which T.E.I. has

constructed a road up to the opening of the shaft. This appears to have settled the problem.

ACTIVITY #13

After meeting with Bob Crist, we continued staking additional claims. At approximately 4:00 we knocked off to reconnoiter in the area south of the airport for the Energy Reserves drill holes.

RESULT

Finally located 4 of the Energy Reserves drill holes. They had been drilled on silicified Paleozoic sediments adjacent to rhyolite porphyry dikes. This is the same environment which occurs on our state lease land in the area, and also on the newly acquired federal mining claims.

ACTIVITY #14

Received a call from Jerry Aiken, geologist with U. S. Borax and Chemical Corporation - large British integrated mining company which operates the largest borate mines in the world at Boron, California. I discussed the Tombstone gold potential with Jerry Aiken, and he expressed great interest.

ACTIVITY #15

On January 24, Tom Waldrip and I went to Tombstone in order to get an underground tour of the State of Maine mine with Bailey Escapule, and then discussed a potential deal with Charlie, Louie and Bailey on the State of Maine mine.

RESULTS

A reconnaissance examination of the State of Maine shaft from the first level through the bottom level was made. Some important observations are:

- A. The Phelps Dodge sampling of the State of Maine, performed sometime in the 1915, is much less thorough than I had imagined. Markings indicating the samples are still clearly visible so there is no mistaking where they were taken. Unfortunately, none of that data is presently available, and Phelps Dodge appears unwilling to search their archives for it.
- B. The State of Maine vein is narrower in the upper levels due to erosion and solution of the vein material, but it

appears to get wider at depth. It is described as a hanging wall vein and a footwall vein. Alteration between the two is pervasive in many, if not most, areas. Sampling has been insufficient to determine whether disseminated silver exists, but the complete alteration of the Uncle Sam Tuff suggests that that may well be. The true thickness of the vein on the third level was approximately 80'.

At the bottom of the shaft, an erosion surface on the Bisbee red beds was observed. The Uncle Sam Tuff in its probable nu'ee ardente deposition form had plucked erosional fragments of the Bisbee and incorporated it into the lower units of the Tuff, thus verifying the nature of the depositional environment. This same erosional surface has been identified at the surface due west approximately 3 miles, near the Fox Wash. Similar characteristics were noted there. The evidence for a surface deposition of Tuff vs. an intrusive character for the Uncle Sam is unequivocal at this point.

Fracturing and alteration of the Bisbee sediments is pervasive on the bottom level. Part of a syncline could be discerned near the bottom of the State of Maine shaft, and there was suggestion of a roll towards an anticline to the west. However, strong brecciation and alteration of the sediments made it difficult to determine bedding attitude. Workings are more extensive on the bottom (No. 7 level) than for the total upper levels of the mine. Unfortunately, a long drift to the north was caved near the shaft, and was thus inaccessible. I infer from the extensive workings within the sediments, that the operators at the State of Maine were encouraged by silver values within the sediments. Since these workings predate published geologic data on the district, it is not clear that they had any inkling of the importance of the interception of sediments. I would infer, however, that they were encouraged by possibly disseminated silver values within the sediments. No assay information (other than an average for the Phelps Dodge samples of 0.012 Au and 3.27 Ag) is presently available for the 7th level, but I would infer that possible disseminated silver values may exist here over a wide zone. Potential for underground bulk mining appears to exist.

At approximately 1:00 we emerged from the State of Maine mine, had lunch, and then spent the remainder of the afternoon discussing geology and possible means of

cooperation with Charlie, Louie, and Bailey. It was concluded that:

- A. There has been 3 mining companies of substantial stature that had operated within the State of Maine area since 1970, and the only thing that has been accomplished is to make the State of Maine area look less promising because of lack of results. These include Austral Oil Company, Oxidental Minerals Company, Cobb Resources, and now the Santa Fe Railroad.
- B. The only way anything is going to be accomplished is by careful, methodical geology, followed by carefully planned drilling, testing, and mining.
- C. I have already accomplished a great deal of the detailed geology dating back to 1972, while working for Sierra Mineral Management. No comparable quality work has been accomplished before or since that effort. They have great faith in that work, and believe that if it is continued, important ore bodies have a good chance of being developed in the State of Maine area.
- D. They would like to work with Tombstone Development Company under my technical direction to get the State of Maine area going.
- E. There would be no problem in initial lease/option or joint venture exploration work. However, if substantial ore zones were discovered, which would require the relocation of their current mining, leaching, and metallurgical plant construction facilities, then they would have to have some kind of substantial payment - currently unspecified.
- F. They feel that they could work with Steve Henderson, Bill Grace, as well as other land holders within the immediate State of Maine area to consolidate the land picture.
- G. They would like to take some time and carefully define what they would like to have in such a working arrangements, and will get back with me by Friday, February 3.

ACTIVITY #16

Various telephone conversations with Bill Zelinski, Amoco Minerals Company.

RESULTS

Amoco Minerals Company - Standard Oil of Ohio (associated with Kennecott Copper) has had substantial budget cutbacks for this coming year, and Bill was very pessimistic as to whether he could get any money for his Tombstone proposal, during my conversations with him in early January. On January 25, he called me and said that his budget for Tombstone had been approved. Now that Bill has an operating budget for detailed work at Tombstone, he will:

- A. First work on the Bunker Hill area, which is his first target objective. He will be presenting to Tom Schloss a proposal for a sublease.
- B. When the Bunker Hill area is solidified, he will get with Tombstone Development Company to discuss a deal on the remainder of the land.

ACTIVITY #17

On January 20, I had a long conversation with Mr. Steve W. Thomas, Project Engineer in charge of Western States Minerals Corporation mine development program. Steve Thomas was recommended to me by a geologist, Clancy Wendt of Queenstake Resources, who is interested in Tombstone, but felt the project might be too large for them. Western States Minerals Corporation is the mining subsidiary of S. J. Grove & Sons Construction Company of Minneapolis, Minnesota. S. J. Groves has been involved in precious metal mining since about 1977, when they first started work in the Gold Strike area near Carlin, Nevada. That operation, as well as another near Delta, Utah, is apparently well underway, and producing nicely. They are now looking to expand their precious metal mining operations elsewhere.

RESULTS

I described the general situation with the Mustang vein and the State of Maine operation, as well as the potential for Carlin-type gold mineralization near the Tombstone airport. He is extremely interested. He suggested that possibly a working method could be a joint venture in which Groves would put in all the cash requirements, and after payback, they would go 50/50 with the Tombstone Development Company.

His letter of January 20, as well as brochures on the S. J. Groves Company is enclosed with this report.

I have been in contact with Steve Thomas twice since his letter, and we have determined that it is probably best that he delay his visit until after we have opened up the Mustang claims with the backhoe trenches.

ACTIVITY #18

I received a telephone call from Dr. Barry N. Watson, Southwest Regional Manager for U. S. Borax, on January 30.

RESULTS

Barry Watson is very much interested in the gold potential in Tombstone, and would like me to give his geologists a run down on the area so that they can make an examination within the next two weeks.

ACTIVITY #19

Conversation with John Prochnau, Regional Manager for Tenneco Minerals, previously Houston Oil and Minerals Company (HIMCO), with whom we had an expression of interest last year. John has actually been to the district, met with Tom Schloss but "found early on that it would be virtually impossible to make a deal with Schloss". However, he feels that "Schloss, for whatever reason, got into a pretty good area at Tombstone, and the District is very interesting to him".

RESULTS

John is interested in reviewing the potential gold bearing area, and will try and meet with me the week of February 13, or February 20.

ACTIVITY #20

Conversation with Don Hammer, Newmont Mining Company.

RESULTS

Don Hammer expressed interest in the gold potential of the airport area. Unfortunately, Roger Newell will be leaving the Newmont Tucson office to be taking over as Eastern Regional Geologist in Danbury, Connecticut. Thus, he won't take an active roll in the future at Tombstone. I will be meeting with geologist Bob Sayre Friday afternoon, February 3, to review the geology with him. He will make a brief

initial visit to the district on Monday, February 6, on his way to New Mexico.

ACTIVITY #21

About January 15, I had another conversation with Mr. Clancy Wendt, Geologist for Queenstake Resources. I reviewed the generalities of the Mustang claim group with Clancy.

RESULTS

Queenstake may have an interest in pursuing something of a small scale at Tombstone, related to the Mustang claims. He will meet with me to review the data on his next trip to Tucson, sometime in February.

Queenstake may be too small to do anything of importance at Tombstone, but I believe that we will have to wait and see.

ACTIVITY #22

I received a request from Seth Horne for another meeting on Friday, February 3, at 8:30 a.m. in his office in Phoenix, to meet with his geologist Clyde Davis, who is in town.

In review of the work described above, I have talked with some 8 mining companies that have expressed an interest in further work at Tombstone. I am listing these below in order of what I believe their priority is in relation to advantageous relationship to the Tombstone Development Company. They are:

1. Western States Mining Corp. (S. J. Grove & Sons Co.)
2. Newmont Mining Corporation
3. Preussag
4. FMC Minerals Corporation
5. Tenneco
6. Amoco
7. U. S. Borax
8. Queenstake Resources
9. First Mississippi Minerals Corp.

My reasoning in the above is as follows:

Western States Mining Corporation is a subsidiary of a large construction company that has lots of expertise in both underground and surface mining. They have two operating precious metal mines, and are taking a rapid and aggressive stance toward acquiring additional properties. They also would make us the

Tombstone Development Company
February 1, 1984
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best deal I have heard so far, which is putting in all the money for 50% of the action.

Newmont has the expertise to explore and develop the airport area if it should contain significant amounts of disseminated gold.

Preussag has a new policy to explore for precious metals, and apparently has decided to spend enough money to do so quickly. Thus, they have both the incentive and the cash.

FMC Minerals Corp. has been diligent in maintaining an interest in Tombstone. Although it wasn't clearly stated, it is apparent that they may now have a budget, earmarked for Tombstone, and will apparently be aggressively pursuing geology within the area. They would have an interest if we can get the Mustang consolidated with the State of Maine operation.

Tenneco has the expertise to explore and develop the airport area if it should contain significant amounts of disseminated gold. I personally have a good working relationship with the new senior man in charge of this area.

AMOCO has a budget, which has been allocated to Tombstone, and are interested in both specific areas such as the Bunker Hill, as well as the District as a whole. Unfortunately, their primary target area - the Bunker Hill Mine - is held under lease to T.E.I., and expected difficulties in negotiations with Tom Schloss make me worry that it may sap their initial enthusiasm.

U. S. Borax has competent geologists headquartered in Tucson, and relatively large budget.

Queenstake resources, is probably the weak sister of the lot.

First Mississippi Minerals Corp., with whom Tom Waldrip has been talking, would be interested if we can solidify the Mustang vein and the State of Maine area.

Very truly yours,

James A. Briscoe

JAB/ms

Enclosures

MEMO

TO: Tombstone Development Company - Seth Horne property,
Tombstone Mining District, Cochise County, Arizona
FROM: James A. Briscoe
DATE: February 3, 1984

RE: Meeting with Seth Horne, Clyde Davis, and Steve ^{M. Halbert}
in the offices of the James Stewart Construction Company, ^{Asst. to the Pres.}
Seth Horne, President, Phoenix Arizona, regarding
discussion of mutual cooperation in the Tombstone
District, and discussion of geology with geologist Clyde
Davis.

Dr. H. Clyde Davis, who is currently Director of Mineral Development Brigham Young University, Provo, Utah, has worked as a geologic consultant to Seth Horne and the Stewart Construction Company for approximately 25 years. Dr. Davis attended the University of Arizona, and, in fact, did his masters degree thesis, and possibly part of his PhD. thesis (this was not made clear) on the Metcalf portion of the Phelps Dodge, Morenci ore body at Clifton. He performed this work under Professor Willard C. Lacy of the University of Arizona. Davis was apparently doing this work circa 1958 through 1962, or someplace in that vicinity. Strong consideration was given to the idea of doing the geology and alteration of the Tombstone/Charleston alteration zone, but Lacy felt at the time that more attention would be given to the alteration of the Morenci/Metcalf zone.

I went over the general report on the Tombstone District, explaining Roger Newell's work in geochemistry and geology, the idea that the Uncle Sam Porphyry is an ignimbritic tuff rather than a sill, and the proposition that the Tombstone area is a caldera structure. These ideas were enthusiastically received by Dr. Davis, and he was extremely impressed with the amount, quality, and farsightedness of the report. He obviously understood the quantity of information that had been processed in preparation of the report.

We then went on to review of the 1" = 500' photography in the vicinity of the Mustang vein, Charleston Lead Mine, and Bronco Hill volcanics. He quickly grasped the significance of the understanding that the Uncle Sam Tuff was everywhere underlain by Bisbee or Bisbee Group or Paleozoic sediments, and was particularly impressed when I showed him my very rough sketch cross section of the Mustang vein emanating from the Robbers Roost breccia pipe area.

We then discussed the ASARCO drilling, and apparently Dr. Davis had never logged nor reviewed the ASARCO drill holes, was not familiar with their interpretation, nor that they had intersected Paleozoic sediments beneath the Uncle Sam. Mr.

MEMO (Tombstone Development Company)
February 3, 1984
Page 2 of 3

Clarence Cosgrove, a mining engineer type apparently now in his sixties, who was originally from Bisbee, Arizona, has performed apparently most of the field work and gathering of data. Dr. Davis apparently had some hand in the assembly of the data and its analyses, but did not really do much of the leg work. Thus, his familiarity is somewhat less than I had originally supposed. Seth Horne expressed a willingness to open all of their files for my use, and volunteered to have Clarence Cosgrove come over from California where he is living in retirement to help me along with the review, since he is the one most familiar with the files. Mr. Cosgrove was gotten on the speaker phone in Mr. Horne's office, and unfortunately it turned out that he had just gotten home from the hospital from a prostate operation and would have to remain in bed for approximately 3 weeks. Before the call, it was hoped by Mr. Horne that he could come over next week and meet with me. After the conversation, Clyde Davis said that as soon as he got back to Provo, he would start going through his files and see if we couldn't get enough together for us to proceed.

Davis and Horne then asked me how I wanted to proceed, and I replied that the best thing that we could do was to work out some kind of a joint venture arrangement, working cooperatively. Horne again expressed his willingness and desire to do so, but did not volunteer any suggested mode of operation.

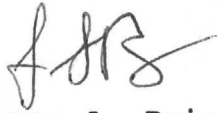
This was essentially the end of the meeting. I did, however, ask Mr. Horne whether he had performed this year's assessment work. His answer was no, that they had to do that, and then he deferred to Steve, who mentioned that they had already engaged Joy Drilling Company to perform \$15,000.00 worth of diamond drilling overlapping the assessment year, in order to get two years of work done. I suggested that rather than doing that that they should do technical map work and surface assaying and evaluation of the data that they had before drilling any further holes. Horne agreed enthusiastically that that should be done, and asked me whether I could handle it. I replied that I would and would give him a proposal for such work. He referred me on to Steve ~~Robert~~ as liason. I then asked him whether he would like me to make a proposal for a joint venture operation with Tombstone Development Company, and he replied that he would.

It was also pointed out mid-way in the meeting that a small Canadian stock company had been reviewing the Horne report, and that they would be making an onsite examination in the near future. They were primarily interested in the silver zinc values at the Charleston Lead Mine open pit. Both Davis and Horne said that they felt they were too small to accomplish the scope of work that my studies suggested, and that they would not

MEMO (Tombstone Development Company)
February 3, 1984
Page 3 f 3

form any kind of venture with them until confering with Tombstone Development Company and myself if there was better potential with others.

Clyde Davis requested that I send him my report on the Tombstone District, and I assured him that I would on my return to Tucson. At that time we both left together, and while riding down in the elevator, Dr. Davis said "Seth wanted me to do a great deal of work on the Tombstone area, but didn't want to pay enough for it so I went on to other higher paying things".



James A. Briscoe

JAB/ms

JDC

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

February 8, 1984

Dr. H. Clyde Davis
Director of Mineral Development
Abraham Smoot Building
A-387 Brigham Young University
Provo, UTAH

Re: Transmittal of November, 1982, Summary Report on the
Tombstone Caldera Complex, Cochise County, Arizona, by
Briscoe & Waldrip

Dear Clyde:

I enjoyed our meeting in the offices of Seth Horne last Friday. The Tombstone District is certainly an exciting one - and I think that development of near surface silver mineralization on the adjacent Tombstone Development Company and Seth Horne ground is a real possibility in the near future.

I hope that you will find this report of interest, and I would be happy to answer any questions you might have on it or other aspects of the Tombstone District.

I have a tentative meeting with Harald Drewes of the U. S. Geological Survey for a field trip to the Tombstone District sometime in the month of April. If you would be interested in coming along on this trip, let me know and I will keep you informed as to when the date is agreed upon.

Very truly yours,



James A. Briscoe

JAB/ms

Enclosure

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED MAIL #P498 523 932

February 16, 1984

U. S. Department of the Interior
Bureau of Land Management
Arizona State Office
2400 Valley Bank Center
Phoenix, AZ 85073

RE: Filing of 62 Location Notices T.S.A. Unpatented Lode Mining
Claim Group, Tombstone Mining District, Cochise County,
Arizona

Dear B.L.M. Official:

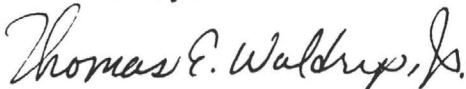
Please find enclosed 62 Notices of Location for the T.S.A. No.'s
1 through 62 lode mining claims located in the Tombstone Mining
District, Cochise County, Arizona, being forwarded to your
office pursuant to the Federal Land Policy and Management Act of
1976.

A James A. Briscoe & Associates, Inc. check #2301 in the amount
of \$310.00 is attached to cover necessary fees of \$5.00 per
individual document filed.

Please note that Mr. Waldrip and James A. Briscoe & Associates,
Inc. are both acting as agents for Tombstone Development
Company, owners of the claims. Any correspondence, however,
should still be forwarded to the address on this letterhead
until further notice.

Thank you.

Sincerely,



Thomas E. Waldrip, Jr.

TEW/ms

Enclosures: 62 Notice of Locations - T.S.A. 1 through 62
1 Claim Group Map
Check #2301 for \$310.00

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED MAIL #P498 523 930

February 16, 1984

Cochise County Recorder's Office
P. O. Box 184
Bisbee, Arizona 85603

RE: Request for Recording 62 Location Notices T.S.A. Unpatented
Lode Mining Claim Group, Tombstone Mining District, Cochise
County, Arizona

Dear County Official:

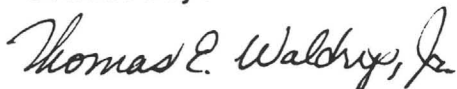
Please find enclosed 62 Notices of Location for the T.S.A. No.'s
1 through 62 lode mining claims located in the Tombstone Mining
District, Cochise County, Arizona. It is requested that these
documents be recorded.

A James A. Briscoe & Associates, Inc. check, #2302, in the
amount of \$310.00 is attached to cover the necessary recording
fees of \$5.00 per individual document included. Also included
is a self addressed and stamped envelope to return the recorded
documents to us.

Please note that the claims are owned by the Tombstone
Development Company. and that both Mr. Waldrip and James A.
Briscoe & Associates, Inc. are acting as agents for the claim
owners.

Thank you.

Sincerely.



Thomas E. Waldrip, Jr.

TEW/ms

Enclosures: 62 Notices of Location - T.S.A. 1 through 62 & map
Check #2302 for \$310.00
Self Addressed Stamped Envelope

FILE

La Vern
Tombstone
TDC

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

February 16, 1984

Seth Horne, President
James Stewart Company
707 Mayer Central Building
3033 North Central Avenue
Phoenix, Arizona 85012

RE: Proposal to consolidate Tombstone Development Company mining property, and James Stewart Company mining property lying west of the Tombstone/Charleston Road, Tombstone Mining District, Cochise County, Arizona

Dear Mr. Horne:

As I have discussed with you during our various meetings spanning the last year, I have developed under the auspices of Tombstone Development Company, technical geologic ideas which suggest great potential for precious metals in areas of the Tombstone caldera. Your company has done extensive work over the past 15 or more years in parts of these areas. Because of the complex land picture no progress can be made toward efficient exploration and development until it has been simplified through consolidation. The Tombstone Development Company and Stewart Construction Company hold the key land within this area. I would like to propose that we join forces to form a new corporation consolidating our land holdings, and thus working in concert to consolidate the few small remaining parcels of third party ground, and then go forward with exploration and development. An outline of my proposal follows below.

- I. Tombstone Development Company and the James Stewart Company combine mining lands in the area west of the Charleston Road, in the Tombstone Mining District, Cochise County, Arizona, as depicted on the map, Attachment 1, and form a new entity. This entity should be an Arizona corporation.
- II. It would be capitalized with:
 - A. The mining lands of the Tombstone Development Company and the James Stewart Company.

- B. The data of Tombstone Development Company.
- C. The data of the James Stewart Company.
- D. \$50,000 in cash and credit from technical work performed since September 1, 1983, from the Tombstone Development Company.
- E. \$200,000 in cash from the James Stewart Company.

III. Ownership and management would be:

- A. James A. Briscoe would be project manager, and
- B. Technical work, bookkeeping, etc. would be through a contract with James A. Briscoe & Associates, Inc.,
- C. The board of directors would be equally divided between Tombstone Development Company and the James Stewart Company, and

D. Ownership would be:

Tombstone Development Company	45%
James Stewart Company	45%
James A. Briscoe & Assoc., Inc.	10%

IV. The objective of the new company would be:

- A. Consolidation of third party land within the block.
- B. Geologic exploration and test work to enhance or develop precious metal ore reserves.
- C. The raising of sufficient development capital through:
 - 1. A lease and option to an established mining company entity, or
 - 2. Raising capital through a stock offering.

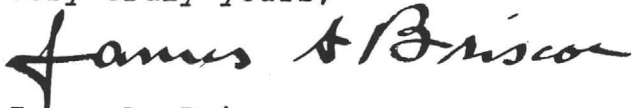
The Tombstone Development Company holds some 12,910 acres of mineral lands through federal mining claims or state prospecting permits or leases, and leases from third parties within the area. The James Stewart Company holds approximately 3,149 acres, primarily in federal mining claims within the area. Further, six or possibly more fee simple patented mining claims are held by the James Stewart Company within the area. It is suggested that the mineral rights on these lands be transferred

Seth Horne
February 16, 1984
Page 3 of 3

via a lease to the new operating company, while the new ownership of the patented land itself be retained by the James Stewart Company.

I believe this consolidation would allow us to work together, on an equal basis, toward a profitable development of this exciting area. I would hope to know your impressions of this proposal at your earliest convenience.

Very truly yours,

A handwritten signature in cursive script, reading "James A. Briscoe". The signature is written in dark ink and is positioned below the typed name.

James A. Briscoe
Agent, Tombstone Development Company

JAB/ms

Enclosures

Explanation

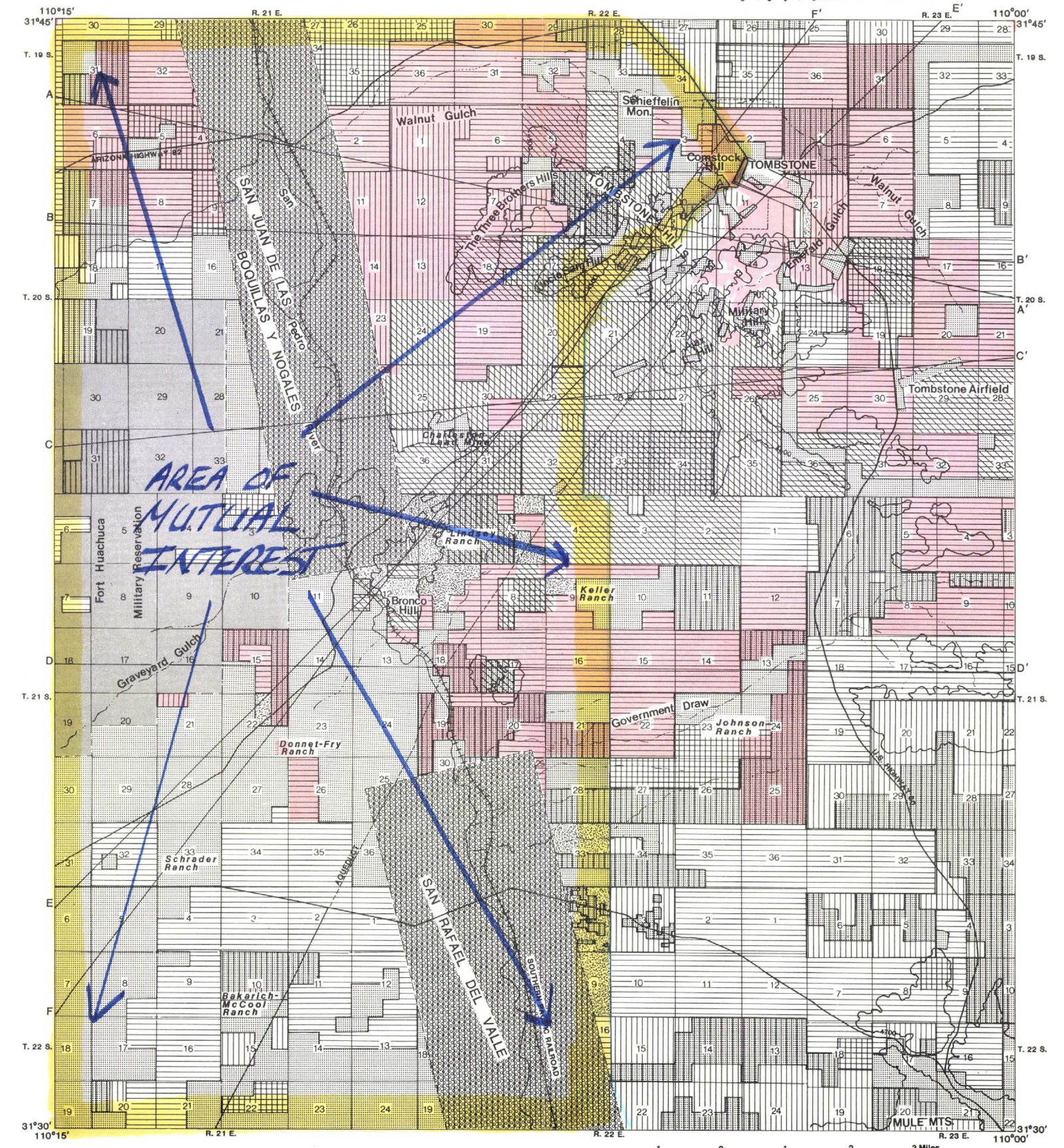
Land Status

- Public Domain - Mineral and Surface owned by Federal Government.
- State Domain - Mineral and Surface owned by State of Arizona.
- Public Domain Mineral and Surface. Mineral owned by Federal Government; Surface owned by State of Arizona.
- Fee Simple - Mineral and Surface privately owned.
- Fee Simple Surface and Public Domain Mineral Private Surface ownership Mineral owned by Federal Government.
- Spanish Land Grants - Fee Simple. Mineral and Surface privately owned; Reservation of Gold, Silver and Mercury to Federal Government.
- Military Reservation - Restricted Mineral Entry. Not open to Mining.
- Water & Power Resource Service & Various other Withdrawals - Not open to Mineral Entry or Mining.
- Mineral and Surface owned by Federal Government. Mineral Rights privately claimed.
- Mineral and Surface owned by State of Arizona. Mineral leases, prospecting permits or applications privately held.
- Public Domain Mineral and State of Arizona Surface. Mineral rights privately claimed.
- Public Domain Mineral and Fee Simple Surface. Mineral rights privately claimed.

Tombstone Development Company, Inc. Lands

- Public Domain Mineral and Surface. Mineral rights claimed by Tombstone Development Company, Inc.
- Mineral and Surface owned by State of Arizona. Prospecting permits or applications held by Tombstone Development Company.
- Public Domain Mineral and Surface owned by State of Arizona. Mineral rights claimed by Tombstone Development Company, Inc.
- Patented Mining Claims owned by Tombstone Development Company, Inc.
- Public Domain Mineral and Fee Simple Surface. Mineral rights claimed by Tombstone Development Company, Inc.
- Fee Simple Surface and State of Arizona Mineral. Prospecting Permit held by Tombstone Development Company, Inc.

- Roads and Highways
- Dry wash
- Southern Pacific Railroad
- Government Reservation Boundary
- Aqueduct
- Cross section line



Tombstone Development Company, Inc.
Tombstone, Arizona

Land Status Map, Tombstone
15 min. Quadrangle

By Thomas E. Waldrip, Jr.
James A. Briscoe and Associates
Tucson, Arizona

Figure 5. Property map showing ownership of major holdings of mineral rights in the Tombstone area. Red overprint shows state, federal and private land and lands with mineral rights held by the Tombstone Development Company as of October 15, 1981.

James A. Briscoe & Associates, Inc.

JB
Copy

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

February 21, 1984

Mr. M. Seth Horne, President
James Stewart Company
707 Mayer Central Building
3033 N. Central Avenue
Phoenix, Arizona 85012

RE: Letter of Intent to engage in a mining lease between the Tombstone Development Company and the James Stewart Co., encompassing various patented and unpatented mining claims and state mineral leases and/or prospecting permits within the Tombstone Mining District.

Dear Mr. Horne:

It is the desire of the Tombstone Development Company to lease from you, and it is my understanding that you desire to lease to the Tombstone Development Company, your mining lands within the Tombstone Mining District. The following is a brief outline of the terms of the lease. A legal agreement incorporating these terms will be drafted as soon as possible. Our signatures indicate our intent to work toward a formal legal agreement encompassing these terms. The terms are as follows:

1. James A. Briscoe shall supervise the conduct of all exploration efforts, and shall spend at least 25% of his professional time during the exploration phases of the lease, on technical work and/or its supervision, unless physically unable to do so or mutually otherwise agreed to by the parties.
2. The first period - a period of 180 days during which a work plan and general exploration, primarily of a technical nature shall be undertaken. There shall be no charge or minimum work requirement during this period.

However, there is an assessment work requirement on the state prospecting permits and/or mining leases, and the federal mining claims for the current state land

anniversary year, and the assessment year of 1983-84, totaling an obligation of some \$23,300.00. It is understood that the James Stewart Company will pay for the completion of this work. James A. Briscoe & Associates, Inc. will undertake to perform the above work with the understanding that:

- A. Color aerial photography, base maps, regional geologic data, and other information acquired for the Tombstone Development Company will be used in the evaluation of the James Stewart Co. claims.
- B. The James Stewart Company ground shall be leased to the Tombstone Development Company upon the general terms described in this letter. The James Stewart Company shall pay the cost of the state and federal assessment work for the 1983-84 assessment year, amounting to \$23,300.00. This work shall be performed by and under the direction of James A. Briscoe, and will consist of the program described on Attachment 1. However, Briscoe may change the program as work progresses, if in his professional judgement, other work of a similar nature which would satisfy the state and federal requirements would be more useful and appropriate.
- C. All information acquired during the technical assessment work project will be combined with and made available to the Tombstone Development Company.
- D. As soon as reports and final copies of the data are available, a copy will be furnished to the James Stewart Company. Monthly and quarterly technical progress reports will also be furnished, as work progresses.

Further, it appears that there may be some title defect in some of the mining claims belonging to the James Stewart Company. Briscoe & Associates, Inc. will undertake to cure such title defects by quiet title suits or other appropriate legal work under the direction of Tombstone Development Company's attorneys. The James Stewart Company will pay for the correction of any such title defects.

3. The second period -

A. Shall be a period of 180 days. Exploration to include, but not limited to:

- * Detailed geologic and alteration mapping - surface or underground.
- * Detailed geochem sampling - also surface or underground.
- * Geophysical surveys.
- * Backhoe trenching.
- * Drilling.
- * Underground development including shaft sinking or driving of drifts, cross cuts, etc.

Expenditures for this work shall average \$10,000 per month over the period.

B. If work does not progress for a period of 90 days, then the contract shall automatically terminate, however,

C. If lieu payments of \$10,000 per month are made, then the contract shall remain in full force.

4. The third term:

A. If exploration and development should continue beyond the 1 year anniversary date, then pre-production royalties of \$5,000 per month shall be paid unless exploration and development expenditures are increased to \$20,000 per month, in which case no minimum royalties shall be paid.

B. After the 18 month anniversary date, a \$10,000 per month pre-production royalty shall be paid unless exploration and development expenditures are increased to \$40,000 per month, in which case a \$2,000 per month minimum royalty payment shall be made.

5. Royalty payments shall be as follows:

A. For lands wholly owned by the James Stewart Company:

A 4% NSR (Net Smelter Returns) or NMR (Net Mill Return) shall be paid for all ore produced from the property.

Further, a net operating profits royalty shall be paid in addition to the NSR (or NMR) royalty, should such an operating profit be made. It shall be as follows:

- * 5% net operating profits royalty until pay back
- * 10% net operating royalty until 2X payback.
- * 12 1/2% net operating profits royalty until 4X payback, and
- * 15% net operating profits royalty for so long as the mine shall operate.

B. For state lands or lands owned by others, but leased to the James Stewart Company, the net operating profits royalty only, mentioned in A. shall apply to those lands.

Payback would include reimbursement for all cash invested in exploration and production facilities, and would include principle plus interest at prime plus 3%.

Direct operation expenses would be used to calculate operating profit, and would not include any home office expenses or overhead, but would include the overhead of the mine office and facilities.


6. There shall be an automatic termination of the contract if no work is performed or lieu or minimum royalty payments made for a period of 60 days.
7. Monthly and quarterly reports of all technical data shall be submitted to the James Stewart Company. Copies of all technical data and reports of all types shall become the property of the owners at termination of the lease, along with all cores, cutting, sample rejects, etc.

M. Seth Horne
February 21, 1984
Page 5 of 5

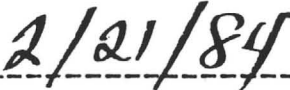
Our signatures below indicate agreement to the above outline.

M. Seth Horne
for James Stewart Company

Date



James A. Briscoe
Agent, Tombstone Development Company



Date

JAB/ms

ASSESSMENT WORK PROGRAM FOR THE 1983-84 FEDERAL ASSESSMENT YEAR
AND STATE PROSPECTING PERMIT ASSESSMENT WORK

ATTACHMENT 1

	3RD PARTY CONTRACTOR CHARGES	PROFESSIONAL FEES JABA, INC.	TRAVEL, FOOD, LODGING, & SUPPLIES*	CUMM. TOTAL
=====	=====	=====	=====	=====
1983-84 ASSESSMENT YEAR - AFTER SEPTEMBER 1, 1983				
1. DETERMINATION OF EXACT LAND HELD BY JAMES STEWART CO. A. MASTER CLAIM LIST-UNPATENTED FEDERAL MINING CLAIMS } 3 days B. PATENTED CLAIMS (PROPERTY) C. STATE PROSPECTING PERMITS		900		
2. CONSTRUCT UPDATED GEOLOGIC & PROPERTY MAP AT 1"=500' ON USGS ENLARGED TOPOGRAPHIC BASE & USING: A. ROGER NEWELL'S PHD THESIS B. HARALD DREWES USGS C. PLOT ALL DRILL HOLES D. ALL ASSAYS (SURFACE) E. PLOT ALL GEOPHYSICS	20 days	4,000		
3. ACQUISITION OF ADDITIONAL 500 SCALE COLOR AERIAL PHOTOGRAPHY TO FILL OUT THAT ALREADY IN HAND, & CONSTRUCT PHOTO MOSAIC.	600.00			600.00
4. PHOTOGEOLOGIC EVALUATION OF THE 500 SCALE COLOR PHOTOGRAPHY.		1200.00		1800.00
5. CLEAN UP AND RE-ARCHIVE ANY CORE REMAINING ON THE CHARLESTON LEAD MINE PROPERTY, WHICH CAN STILL BE PUT IN REASONABLE ORDER. -1 GEOLOGIST FOR 5 DAYS @ \$300/DAY -2 ASSISTANTS @ \$120/DAY		1500.00 600.00	350.00	17720.00 18320.00
6. PHOTOGRAPH CORE. -1 GEOLOGIST FOR 5 DAYS @ \$300/DAY -2 ASSISTANTS @ \$120/DAY		1500.00 600.00	500.00	20320.00 20920.00
7. RE-LOG CORE FOR ALTERATION AND MINERALIZATION CHARACTERISTICS -1 GEOLOGIST 10 DAYS @ \$300/DAY COMPUTER REDUCTION OF DATA FROM #10 - 5 DAYS		3000.00 640.00		23920.00 24560.00
8. DRAW CROSS SECTIONS (1"=500') & RE-INTERPRET SUB-SURFACE GEOLOGY				
9. FIELD IDENTIFICATION AND MONUMENTING OF THE TENNECO CLAIM (RAD CROW) BOUNDARY WITHIN THE CHARLESTON LEAD MINE AREA.				
10. AMMEND CLAIMS. RE-MONUMENTATION IN CRITICAL AREAS, & CURE ANY DISCOVERED PROBLEMS.				
11. SURFACE SAMPLING/GEOCHEM, ASSAY DRILL CORE? HG SOIL GAS?				
12. AIR TRACK DRILLING TO A DEPTH OF 100'.				
13. RENTAL OF SILVER MAP A. PROBE AIR TRACK HOLES B. PROBE EXISTING HOLES				
14. TEST TRENCHING OF VEINS ON FEDERAL AND STATE LAND. -10 DAYS @ \$600/DAY FOR BACKHOE -J.A.BRISCOE 5 DAYS @ \$300/DAY -F,T,L FOR 5 DAYS @ \$70/DAY	6000.00	1500.00	350.00	7800.00 9300.00 9650.00
15. RENTAL OF UNC SILVER MAP AND ANALYSES OF SILVER MINERALIZATION WITHIN THE TEST TRENCHES. AND ON PROSPECT PIT MINE DUMPS, PROSPECT PITS AND SHAFTS. AS WELL AS RE-ENTRY OF ACCESSIBLE DRILL HOLES AND ANALYSES USING THE SILVER MAP - 3 DAYS -J.A. BRISCOE 3 DAYS @ \$300/DAY -F,T,L FOR 3 DAYS @ \$70/DAY	3250.00	900.00	210.00	12900.00 13800.00 14010.00
16. TECHNICAL EVALUATION AND REPORT PREPARATION CONCERNING THE RESULTS OF THE ABOVE STUDIES. -J.A.BRISCOE 3 DAYS @ \$300/DAY -WORD PROCESSING COMPUTER ENTRY 3 DAYS @ \$120/DAY		900.00 360.00		14910.00 15270.00
17. TAKE ACTION ON RECOMMENDATIONS IN REPORT (#6) - 2 DAYS		600.00		15870.00
* INCLUDES STAKES. TAGS. SAMPLE BAGS, FENCE POSTS, FLAGGING, ETC.	600.00	9040.00	850.00	10490.00

7DL

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

March 15, 1984

Arizona State Land Department
1624 W. Adams
Phoenix, Arizona 85007

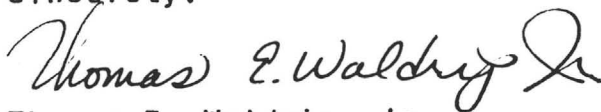
RE: Continuation Certificate

Dear State Official:

Conversations with Ed Spaulding, of your office, indicates that a Continuation Certificate need not accompany Prospecting Permit renewals. Aetna Casualty has been in contact with your office, and it is my understanding that they have a company policy for not issuing Continuation Certificates, but only notifying your office when the applicant's bond is no longer in effect.

Thank you for your time and attention. If you have any questions, please do not hesitate to contact me.

Sincerely.



Thomas E. Waldrip, Jr.

TEW/ms

Enclosures

TDC

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

March 22. 1984

Bob Kinkel
Noranda Exploration
12980 West Cedar Drive
P. O. Box 15638
Denver, CO 80215

Dear Mr. Kinkel:

Per your request during our telephone conversation this morning, enclosed please find a copy of A Summary of the Tombstone Development Company Lands in the Tombstone Caldera Complex, Cochise County, Arizona for your review.

Should you have any questions, please do not hesitate to call me.

Sincerely,


James A. Briscoe

JAB/ms

Enclosure

FILE

Tombstone M.D.
Cochise Co. AZ
T.D.C. file

Queenstake Resources (U.S.A.) Inc.

11628 Quivas Circle, Denver
Colorado 80234
Telephone (303) 469-5751



March 27, 1984

Mr. Jim Briscoe
James A. Briscoe & Associates, Inc.
5701 East Glenn St., Suite 120
Tucson, AZ 85712

Dear Jim:

Enclosed is your summary of the Tombstone area. I found I already had a copy, so I do not need another.

We are in the process of doing our financing, so it will be a while before I get back to you.

When you get some assays back, please send them.

Thanks again for your help and trip.

Yours truly,

C. J. Wendt
Project Development Manager

CJW:dm

Enclosure

Noranda Exploration, Inc.
12640 W. Cedar Dr., P.O. Box 15638
Denver, Colorado 80215

noranda

Tel.: (303) 988-6456
Telex: 45-4375
Noranda DVR

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

April 18, 1984

Mr. James A. Briscoe
James A. Briscoe & Associates, Inc.
5701 East Glenn Street, Suite 120
Tucson, AZ 85712

Dear Jim:

Many thanks for your help in reviewing TDI's properties at Tombstone last week. It was a very interesting trip.

As we discussed, I will have to do additional research in your files, at the State, and wherever data may be hidden, to get a better feel for the nature and style of mineralization that was mined in the early days. We have to do this in order to confirm our suspicions that the expected mineralization will be economic today.

Because of prior commitments, I will not be able to return to Tucson before May 7. If a competitor bid is imminent, we can move earlier by assigning another geologist. However, I would rather be involved, if possible. If the week of May 7 or 14 is not convenient, please let my office know; and I'll get back to you.

Because of the time that may be involved, it might be good if you could write the Director of the U.S.G.S. as owner of the properties, granting Noranda access to the notes of B.S. Butler (AZ Bull. 143), and F.L. Ransome (U.S.G.S. Bull. 710) in the Survey archives. It might help to express a sense of urgency.

Mr. Briscoe
Page 2
April 18, 1984

Enclosed are the two maps you loaned me. Again, thanks and I look forward to the opportunity to try and generate an interesting exploration program on your properties.

Sincerely yours,

NORANDA EXPLORATION, INC.

A. Robert Kinkel (sk)

A. Robert Kinkel
Staff Geologist

ARK/sb
Enc.

cc: A. Lamarre
W. Lynch

Monday April 23, 1984 3:45-5:30 PM

Meeting - Rt 5th of Maine office
Bill Grace

Dave Thomas - 946-5697
JAB 4800 N. 68th St
Chas. Escapule Scottsdale AZ 85251

Louis
Bailey

would like to emulate T&I operation.
Interstrat-Co. 700 acres including the
Escapule Property.

① 10,000 T/day ore & waste - is the objective

② money not a problem - but will go thru
Vancouver Exchange - & then go to
NASDAQ -

Marketability - D.T. feels is an
important facit.

JAB. - An indispensable part of the
Team.

3. Bill Grace - 1932 Tombstone Experience

Bill Grace

4. Melgren Properties - 1933 Tombstone
 - Formed T.D.C. -
7,500 down, 75% capitalization
 - Then given chance, Bro.
Jonathan, S. of Maine & Alkie
 - Doctor Cline Tucson
Michael
Jack Martin
Ed Holderness - Min Super.
 - Escrowed bought claims
for Taxes.
 - Army - Filed 1967 - after Bill
Grace

Mg, Co, Ni, Chrome. 3 of 3

$$\begin{aligned} 10,000 \times 30 &= 300,000 \times 10 \text{ months} \\ &= 3 \text{ mm} \times 20 = 60 \text{ mm ore \& waste} \\ &= \text{if } 6:1 = \underline{10 \text{ mm tons ore.}} \end{aligned}$$

Spin off the State Land from
Interest. Ch. B of Interest.
Propose to do w/ T.D.C. ??

My prod. makes for lower cost
for Co, Ni & Cr.

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

May 4, 1984

Charlie Escapule, Louie Escapule & Bailey Escapule
State of Maine Mining Company
P. O. Box 1016
Tombstone, Arizona 85638

RE: Comparison of the TDC proposal and the Dave Thomas proposal

Dear Charlie, Louis & Bailey:

After our meeting (with Charlie and Bailey) on Friday afternoon, May 4, I understand that you are reconsidering a counter offer from Mr. Thomas and Mr. Grace. Since stock manipulations have an almost unlimited number of variables, I am not sure that I clearly understand what the deal is. However, to the best of my understanding, I would like to try and compare the two as I see them.

One of your particular interests is being able to obtain cash quickly through sale of your portion of the stock issue. I think that there are two things you should consider here:

1. Originator stock must be held for a certain length of time and then can only be liquidated at a certain rate. I believe this time may be one year, and it could possibly be two.
2. Your ability to sell the stock depends on the market price at the time the law will allow you to sell it. Since the stock market could go both down as well as up, it would appear to me that it would be hard to predict whether you could obtain the desired profit at the time you would be able to sell a portion of your stock.
3. Since you would be part of a corporation, the other stockholders would determine when and how dividends would be declared or if dividends were declared. Further, your dividends would be taxed at the corporate level before going to you, and then taxed again when you receive them.

Charlie, Louie & Bailey Escapule
May 4, 1984
Page 2 of 4

Whether you would be able to realize your desired profit of \$800,000 at the end of the first year or not seems questionable to me. Again, however, I don't fully understand the deal.

THE TDC DEAL

The deal that I have proposed to you is considerably more simple. A partnership format would be used. This would allow the partners to take all profits as product in kind, i.e., gold and silver bullion. You would not incur taxes on this bullion until you as individuals chose to sell it.

Tombstone Development Company would contribute \$139,000 in cash to match your capital contribution. They would also arrange for financing of any capital equipment, such as trucks, crusher, drill, UNC Silver MAP, etc. If things go according to my projections - and this is entirely dependent on measuring sufficient reserves for at least one years operation, then sufficient cash flow would be obtained in the fourth month to begin repaying the partners in product in kind. I propose that neither Charlou, nor TDC charge interest on their capital contributions, and thus an equal amount of bullion can be issued to the partners on a monthly basis. If the price of silver remains at \$9.00, and gold at \$350.00, and 58,000 tons of material with an average recoverable silver grade of 5 ounces, and 0.01 ounces gold, with a stripping ratio of 2:1 can be delimited, then all of the capital equipment of Charlou will have been paid off at the end of one year, the lease of the Charlou properties would have been paid to you, all of the new capital equipment and money advanced by TDC would have been repaid, and the partners would be able to split the profit of \$800,000. This means approximately \$600,000 in your pocket at the end of 12 months. If the ore reserves were doubled or tripled (something I think that is easily possible), then the profits would be respectively \$2.4 million dollars on a two shift basis or \$3.6 million dollars on a three shift basis yielding to you \$1,200,000 and \$1,800,000, respectively in addition to the repayment of your capital equipment contribution and the Charlou lease. If the stripping ratio were to be lower, say 1:1, then the profitability would approximately double. This could conceivably happen in the first year, though the likelihood in the following years would be pretty small.

If the price of silver or gold were to go up, obviously profitability would increase.

Since it appears that you would incur no tax from receiving your profit as product in kind (gold and silver bullion), you could probably take that bullion to a bank and secure a loan for a

Charlie, Louie & Bailey Escapule
May 4, 1984
Page 3 of 4

percentage of its value, and still not have to pay taxes. This is getting pretty deep for me as far as knowledge of the tax laws go, but if I understand my accountants correctly (and assuming that they understand the tax law correctly), I think that this is correct. Obviously you should check this for yourselves.

The objective would be to continue to drill all potential for near surface ore out in the State of Maine area. A depth of 100' is probably a practical limitation to such exploration. Beyond that I think that underground mining may be more feasible.

The next phase would be to do the same on Joe Escapule's property (of course first having negotiated a reasonable lease for the partnership on both his ground and that of Hendersons, et al.). At this point I think that it would be reasonable to have started moving all heap leach activities on to the TDC state land and north of Fox Wash, where they would lie on barren unmineralized ground, out of sight, out of mind, and completely away from all mining activity so that no interference either by environmentalists or other mining operations would be encountered. After surface reserves had been completely delineated exploration could then begin immediately on underground reserves.

I think that the initial capitalization and reinvestment of profits would be sufficient to get us to the point of underground mining. I foresee the possibility of four or five years of reserves of selective, relatively high grade mining at a rate of between 200 and 600 to 1,000 tons per day as being possible.

Should more capital be required initially, or at some later stage, TDC is finalizing negotiations with a substantial company in which up to \$4.4 million of capital would be provided.

Further, my proposal is that the venture continue on TDC land, including any state or federal mining claims, but excluding the patented ground which is already under lease, until such time as Charlou has recaptured the same dollar profit as TDC made on the Charlou (State of Maine) properties.

In summary, it appears to me that if you have the faith in the reserves that I believe can be drilled out, then you should be able to pocket at the end of one year, the amount of cash that you desire to make, without paying taxes on it if you take it as gold and silver bullion, but may be able to generate cash by a loan against that commodity to satisfy your cash requirements.

Charlie, Louie & Bailey Escapule
May 4, 1984
Page 4 of 4

Further, you would suffer no dilution in equity, and, in fact, would probably double that amount of profit the following year, and so on, until reserves were exhausted. And then at some future point, you would again double your half of the profit made off of the State of Maine properties from some location on the TDC state and federal mining claims. Of course it is therefore in your interest that no more capital be expended in getting the State of Maine into production than is absolutely necessary.

I hope this might help to put these possibilities in perspective for the long term. I look forward to working with you in any event.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jim Briscoe".

James A. Briscoe

JAB/ms

James A. Briscoe & Associates, Inc.

JAB
Copy
TDC
Notebook

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

May 9, 1984

Bill Hight & Lavern Baxter
Tombstone Development Company
P. O. Box 1445
Grand Island, NE 68801

Dear Bill & Lavern:

Per your request, enclosed please find the following bills

1. Invoice #1066 from the State of Maine Mining Company for \$3,932.40. *this is repeated*
2. Invoice #1071 from the State of Maine Mining Company for \$5379.28 *← here*
3. An invoice from Larry Joe Eberle for 1004.33 of which \$440.00 was paid by us, leaving a balance of \$564.33.

The Escapule's are going to build the fence around the pit this week, the cost of which is estimated at:

Posts	\$272.16
Wire	153.40
Labor	258.00

	\$683.56

Additionally, Alanco is going to drill 80 holes 10' deep x 2', the cost of which will be approximately \$1,600.00. I have called Alanco today to request that they submit their invoice directly to you, so you should be receiving that within the next week.

If you have any questions, please call me.

Sincerely,

Mardee A. Stewart

/ms

Enclosures

STATE OF MAINE MINING COMPANY

P. O. Box 1016
TOMBSTONE, ARIZONA 85638

1066

(602) 457-3601

DATE 4/2/84	ORDER NO.
SHIP TO	

TO

James A. Briscoe

Tombstone Development Corp.

5701 E. Glenn St., #120

Tucson, AZ, 85712

SALESPERSON	DATE SHIPPED	SHIPPED VIA	F.O.B. POINT	TERMS		
QUANTITY	DESCRIPTION			UNIT PRICE		TOTAL
24 Hrs	Air Compressor at \$90.00/day			270	00	
	Labor			842	40	
	Cost to Blast			100	00	
45.3 Hrs.	Excavator at \$60.00/Hr			2,720	00	
	TOTAL					3,932 40

ORIGINAL

Thank You

STATE OF MAINE MINING COMPANY

P. O. Box 1016
TOMBSTONE, ARIZONA 85638

1071

(602) 457-3601

TO

JAMES A. BRISCOE

TOMBSTONE DEVELOPMENT CORP.

5701 E. GLENN ST., #120

TUCSON, AZ 85712

DATE 5/7/84	ORDER NO.
SHIP TO	

SALESPERSON	DATE SHIPPED	SHIPPED VIA	F.O.B. POINT	TERMS	
QUANTITY	DESCRIPTION			UNIT PRICE	TOTAL
23.5 Hrs	Excavator @ \$60.00/Hr			\$1,410 00	
34.81 Gal	Diesel for Trak Drill			37 28	
	Invocie #1066			3,932 00	
	TOTAL				\$5,379 28

ORIGINAL

Thank You

STATEMENT OF HOURS AND CHARGES
FROM APRIL 21, 1984 TO APRIL 28, 1984

SUBMITTED BY: Larry Joe Throck

DATE	TIME	HOURS
APRIL 21, 1984	6:00 A.M. - 6:00 P.M.	12 HRS
APRIL 22, 1984	6:00 A.M. - 5:00 P.M.	11 HRS
APRIL 23, 1984	4:00 P.M. - 7:30 P.M.	3½ HRS
APRIL 24, 1984	4:00 P.M. - 7:00 P.M.	3 HRS
APRIL 25, 1984	4:00 P.M. - 8:00 P.M.	4 HRS
APRIL 26, 1984	4:00 P.M. - 6:30 P.M.	2½ HRS
APRIL 28, 1984	7:00 A.M. - 5:00 P.M.	8 HRS
TOTAL		74 HRS @ \$10.00 Per Hr \$ 740.00

ONE DRUM 42.7 GAL. DIESEL	41.13
49 STICKS DYNIGEL 203	35.00
100 STICKS 40X AMOGEL	25.00
33 BAGS PRELI BLASTING AGENT	250.00
86 #4 BLASTING CAPS	23.00
2-1000 FT SPOOLS DETONATOR CORD	174.20
TOTAL	\$1,064.32

Larry Joe Throck

LARRY JOE THROCK
P.O. BOX 454
TOMBIGHEE LA 39168

JAMES A. BRISCOE & ASSOCIATES, INC.
PH. 721-1172
S. M. E. GLENN, NO. 120
TUCSON, ARIZONA 85712

THE ARIZONA BANK
CREDIT & CREDIT OFFICE 6.11
1001 EAST GRANT ROAD
TUCSON, ARIZONA 85712

2456

May 4 1984 84-170/12-1

Pay to the
ORDER OF

Larry Joe Throck \$ 740.00

Larry Joe Throck

Larry Joe Throck

Larry Joe Throck

STATEMENT OF HOURS AND CHARGES
FROM APRIL 21, 1984 to APRIL 28, 1984

SUBMITTED BY: Larry Joe Eberle

DATE	TIME	HOURS
APRIL 21, 1984	6:00 A.M. - 6:00 P.M.	12 HRS
APRIL 22, 1984	6:00 A.M. - 5:00 P.M.	11 HRS
APRIL 23, 1984	4:00 P.M. - 7:30 P.M.	3½ HRS
APRIL 24, 1984	4:00 P.M. - 7:00 P.M.	3 HRS
APRIL 25, 1984	4:00 P.M. - 8:00 P.M.	4 HRS
APRIL 26, 1984	4:00 P.M. - 6:30 P.M.	2½ HRS
APRIL 28, 1984	7:00 A.M. - 3:00 P.M.	8 HRS
TOTAL		44 HRS @ \$10.00 Per Hr \$ 440.00

ONE DRUM 42.7 GAL DIESEL -----	41.13
49 STICKS DYNIGEL 205 -----	35.00
100 STICKS 40% AMOGEL-----	35.00
33 BAGS PRELL BLASTING AGENT-----	256.00
86 #4 BLASTING CAPS -----	23.00
2-1000 FT SPOOLS DETONATOR CORD -----	174.20
TOTAL -----	\$1,004.33

LARRY JOE EBERLE
P.O. BOX 434
TOMBSTONE, AZ 85638

*\$440 of this bill
has been paid &
is reflected in
our bill to you*

SAHARA OIL COMPANY, INC.

9015

☐ Texaco Self-Serv (#2004)
1060 18th Street
Douglas, Arizona 85607
(602) 364-7431

☒ Texaco Self-Serv (#2005)
1497 East Fry Blvd.
Sierra Vista, Arizona 85635
(602) 458-6330

dba

☐ Texaco Self-Serv (#2009)
185 South Arizona Blvd.
Coolidge, Arizona 85228
(602) 723-4979

☐ Sahara Oil Co., Inc. (#2010)
3001 East Washington
Phoenix, Arizona 85034
(602) 267-9835

Name LARRY EBERLE Date 22 APRIL, 19 84

Address _____ City _____ State _____

U.F. Tax License # _____ Truck # _____ Plate # _____ State _____

Received by: T. Jamon

ns		Price Per Gallon	
427	# 2 Diesel (Fuel Tank Delivery)	1.119	47.76
	Less: 12¢ per gal. (Reefer Fuel, X-Tax, or bulk sale - No U.F. Tax Incl.)		5.12
	Less: 9¢ per gal. Federal Tax		3.84
	Other		
As the agent of the above named purchaser, I hereby certify that authorization has been obtained to pur- chase Ex-Tax Use Fuel under the provisions of 28- 1555(b), A.R.S.		Sales Tax	2.33
		TOTAL	41.13

CERTIFIED BY: Larry Eberle
(Purchaser's Signature)

Purchase price includes State Use Fuel Tax and Federal Tax unless otherwise indicated.

CUSTOMER - WHITE

OFFICE - YELLOW

DUPLICATE FOR CUSTOMER - PINK

ARIZONA USE FUEL TAX INFORMATION BLOCK	
A	VEHICLE TYPE <input type="checkbox"/> USE CLASS <input type="checkbox"/> LIGHT CLASS
	USE FUEL TAX COLLECTED <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
C	<input type="checkbox"/> BULK SALE <u>Drums</u> Type of Container

Circle K #1310

Bruce & Summer St.; Tombstone, AZ 85638

Date: 4/25/84PURCHASER'S NAME (AS SHOWN ON CAB CARD)
LARRY JOE EBELUF TAX LICENSE NUMBER (AS SHOWN ON CAB CARD)
3716 V2☐ EX-TAX SALE. NO USE FUEL TAX COLLECTED

As the agent of the above named purchaser, I hereby certify that authorization has been obtained to purchase Use Fuel Ex-Tax under the provisions of R.S. § 28-1555B.

Ex-Tax Certified By: Larry Joe Ebel

(SIGNATURE OF VEHICLE OWNER OR OPERATOR)

ARIZONA USE FUEL RECEIPT

TYPE OF FUEL	PRICE PER GAL.	NUMBER OF GALS.	TOTAL AMOUNT OF SALE
Diesel	1.149	34.813	48.80
	less Tax	-	27.21
			33.59 21.88
Fuel Received By: <u>Larry Joe Ebel</u>			
SIGNATURE OF VEHICLE OWNER OR OPERATOR			

☐ No Use Fuel Tax Collected — Fuel Delivered Into

(TYPE OF RECEPTACLE)

Purchase Price Includes the Arizona Use Fuel Tax Unless Otherwise Indicated.

FRID

MAY 4 1984 • 241 Days Left

APPOINTMENTS & SCHEDULED EVENTS

3
4

Receiving Material JAB #10 - R2.2

TO BE DONE TODAY (NUMBER EACH ITEM)

1. SOW mining excavator
- 23 1/2 - \$1,410
@ 60/hr

54X 87

1983 T&I report
Sal - Tab - take down to

Alanco
% Larry Kersey
Alan

EXPENSE & REIMBURSEMENT RECORD:

Item- What?	Where? Duration	Purpose-Who What involved?	To whom Paid?	Reimbursed? By whom?	Amount
Lunch			P-101		24

SENIOR SIZE

FRIDAY

5

125th Day • MAY 4 1984

TIME RECORD, SERVICES PERFORMED, DIARY

8

9

10

11

12

1

2

3

4

5

NITE

Arrive Tomb.

7:30 - Leave T.S.
9:00 - Arrive Tomb. Quit

Western States Minerals Corporation

4975 VAN GORDON STREET
WHEATRIDGE, COLORADO 80033

Arden "Buck" Morrow

PRESIDENT

TELEPHONE: 303/425-7042

(602) 946-9772

W. W. GRACE

INVESTMENTS
8238 EAST INDIAN SCHOOL RD.
SCOTTSDALE, AZ 85251

A. ROBERT KINKEL
Evaluation Geologist

noranda

Noranda Exploration, Inc.
12980 West Cedar Drive
P.O. Box 15638
Denver, Colorado 80215

Tel.: (303) 988-6456
Telex: 45-4375

LARRY M. KERSEY
SENIOR GEOLOGIST



ALANCO LTD.

4143 N. 12th Street
Phoenix, AZ 85014
Tombstone, AZ

Phx.

(602) 264-1244
(602) 457-3184

Western States Minerals Corporation

4975 VAN GORDON STREET
WHEATRIDGE, COLORADO 80033

Al Cerny

TELEPHONE: 303/425-7042



Atlas Copco

Frontier Equipment Inc.

CECIL GRIZZLE
STORE MANAGER

3128 EAST 46TH STREET
P.O. BOX 26037
TUCSON, ARIZONA 85726
(602) 624-2501

7/26/83
met w/ this Sat
at his home & at
in Tomb. He is
like to get copy
of topo map
over 5500 ft
S.O.N. area &
we in putting
his map in
survey's. I saw
I do not have
out. & he has
call him.

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

May 15, 1984

Steven M. Halbert, Esq.
Stewart Mines
3033 North Central Avenue
Phoenix, Arizona 85012

RE: Payment of rental or date for re-application on state lands
Section 36, Township 20 South, Range 22 East, Tombstone
Mining District, Cochise County, Arizona

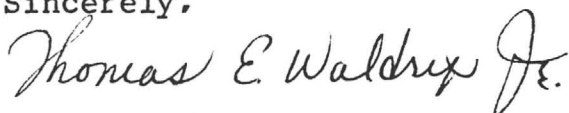
Dear Steve:

Please find enclosed information received from the State Land
Department in regard to lands that we have assigned to your
company in the Tombstone area.

We will not be proceeding any further on this matter, and will
limit our further interest and concede to you this area, as not
to create another simultaneous filing problem.

As will be noted, you should re-apply for a new prospecting
permit on Thursday morning, May 24th, 1984, on or prior to the
8:00 opening time of the state land offices.

Sincerely,



Thomas E. Waldrip, Jr.

TEW/ms

Enclosure: Rental billing for Prospecting Permit on Section 36,
T.20S., R.22E.

Receipt payment of penalty and interest this payment must
be made at the OFFICE OF the State Land Department ON or
BEFORE the DUE DATE. Date of POSTAL STAMP will not
be accepted as time of payment.

Unpaid 08/11/8

BRISCOE JAMES A.
5701 E GLENN ST #120
TUCSON AZ 85712

STATE OF ARIZONA
STATE LAND DEPARTMENT
1624 WEST ADAMS - 4TH FLOOR
PHOENIX, ARIZONA 85007

08	8894000
KIND ENTRY	LEASE OR C. P. REFERENCE NO

STATEMENT
M

SEC	TOWNSHIP	RANGE
36	20.0 S	22.0 E

ACCOUNT NO		BILLING DESCRIPTION		RATE	ACRES	\$ AMOUNT
NT	SUB					
14	030 04	PROSPECTING PERMIT RENTAL FOR: N2NE. NENW S2.		2.00	440.00	880.00

THE ABOVE DESCRIBED LAND WAS OPEN AND AVAILABLE AT THE TIME YOUR APPLICATION
WAS FILED WITH THE DEPARTMENT. BOND FORMS ARE ENCLOSED. ONE COPY OF THE
BOND AND THE RENTAL PER THIS BILLING MUST BE SUBMITTED ON OR BEFORE THE DUE
DATE INDICATED IN THIS STATEMENT. IF RENTAL AND BOND ARE NOT RETURNED TO
THIS OFFICE YOUR APPLICATION WILL AUTOMATICALLY BE DENIED.

CERTIFICATE OF PURCHASE
UNPAID BALANCE

BILLING PERIOD					
FROM			TO		
MO	DAY	YR	MO	DAY	YR
05	23	84	05	22	85

DATE BILLED		
MO	DAY	YR
05	08	84

DATE DUE		
MO	DAY	YR
05	23	84

TOTAL ACRES
440.00

TOTAL AMOUNT
\$ 880.00

IF PAYMENT IS MADE ON OR BEFORE THIS DATE ☒ PAY THIS AMOUNT

AMOUNT DELINQUENT SUBJECT TO PENALTY & INTEREST

PENALTY & INTEREST	DISTRIBUTION

5% PENALTY OF RENTAL.

TOTAL RENTAL AMOUNT PLUS PENALTY.

* INTEREST PER ANNUM ON RENTAL. AMOUNT

AND PENALTY—NUMBER OF DAYS DELINQUENT () \$

TOTAL AMOUNT DUE INCLUDING PENALTY AND INTEREST

CASH RECEIVED

BALANCE DUE OR OVERPAYMENT

* INTEREST SET BY TREASURER UNDER ARS 37-288. ANY PROTEST OF THIS RENTAL AMOUNT MUST BE
IN WRITING, RECEIVED BY THE STATE LAND DEPARTMENT WITHIN 30 DAYS FROM THE DATE BILLED.

FILE MEMO

TO: Tombstone Project
FROM: Thomas E. Waldrip, Jr.
DATE: May 18, 1984

RE: Field trip to Tombstone Project area with Willy Lynch of Noranda Exploration, Inc.'s Denver office on Tuesday, May 8, 1984.

Purpose of field trip:

To review the geology of the Tombstone area and relationships of mineralization to the carbonate sedimentary sequence located there. Mr. Lynch has been doing work in the Leadville District of Colorado in similar environments, and had been requested to review the Tombstone area by Robert Kinkle (Noranda), who visited the Tombstone area in April, 1984.

Areas visited in order of review:

1. Overview of T.E.I. operation from area of Empire Shaft and geology of Tombstone Basin.
2. Review Toughnut incline (carbonate hosted deposit)
3. Trenching of T.D.C. on state lands, Sections 19 and 30, T.20S., R.22E.
4. Review Charleston Mine area.
5. State of Maine area and mining.
6. Tombstone Extension fault zone along Tombstone/Bisbee Highway (U.S. 80).
7. Visit area of Section 19, T.20S., R.23E. (new area of T.S.A. claim group).
8. Bunker Hill Mine (carbonate hosted deposit).
9. Oregon/Prompter Mine area (carbonate hosted deposit).

Results:

Mr. Lynch agreed that the Tombstone District has the qualifications necessary for carbonate hosted manto or replacement deposits that he is actively exploring for in the Leadville District, Colorado. Namely:

1. Structural controls, faulting, and warping of sedimentary horizons;

2. Fossil rich sediments that are very permeable;
3. Evidence of hydrothermal activity;
4. Evidence of mineralization and past production;
5. An extensive period of volcanic activity + 50 my.;
and
6. Extensive area of mineralization.

However, several negative items were pointed out from his initial review of the area. Namely:

1. Most past mineralizations seem to be narrow and structurally controlled, and not really a replacement/manto type (at least near surface), but possibly at depth in the Martin and Abrigo FM's - Thus a problem in hoped for surface mining:
2. The amount of past produced mineralization is relatively small compared to say Leadville \pm 18~~4~~ million tons mined. However, Leadville has produced base metal credits whereas Tombstone generally has not;
3. The current lease with T.E.I.; and
4. The apparent lack of any relationship to any mineralizing intrusion or "pump" source.
ing.

Conclusions:

Being that the T.D.C. patented property is currently under lease, and that Noranda generally will not directly purchase mining properties, he felt that the District will await further developments. On the other hand, if a semi-reasonable deal could be worked out with T.E.I. to do deeper exploration, then they might be interested in further talks.

Reading between the lines, Mr. Lynch seemed to be interested, but the T.E.I. lease poses a major stumbling block for Noranda. He emphasized that the area would not be placed in a high priority listing, but he remains in a rather optimistic attitude toward possible future work should something be accomplished with T.E.I.'s lease. On the other hand, Mr. Lynch tended to also dwell negatively on the fact that if past production relates to possible

Tombstone Project File
May 18, 1984
Page 3 of 3

future production, Noranda would probably not be interested (yet economics would strongly influence this fact). Noranda is trying to locate potential mineralization in the range of 5 million tons of +10 oz. silver, a rather ~~ambitious~~ undertaking in the Tombstone area.
ambitious

Overall, even though Noranda has an implied interest in T.D.C.'s property, the current T.E.I. lease creates an impass to doing follow up work. Therefore, I would venture to say that Noranda is now removed from the list of potential suitors.

Thomas E. Waldrip, Jr.

TEW/ms

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

May 31, 1984

Tom Chandler, Esq.
Steve Weatherspoon, Esq.
Chandler, Tullar, Udall & Redhair
P. O. Box 3069
Tucson, Arizona 85702

RE: Telephone conversation with Dr. John Dean, January 31,
1980, reference TC #8372

Dear Tom & Steve:

Enclosed with this letter is a copy of the above referenced transcribed, the tape for which we just located, and for which Mardee just completed the transcription on Wednesday. I believe that it may be the most significant piece of data I have yet submitted to you.

The conversation is an encapsulation of all of the problems that took place during my work on the project, and shows strong evidence that none of them had been solved fully three months after I left the scene and, in fact, most problems had gotten worse. I have outlined specific references to the transcript on Attachment 1, but briefly, some of the points are:

- * Failure by Tom Schloss to make timely payments to:
 - Employees
 - Vendors of all types - the results being a requirement to make cash payments before delivery
- * Poor esprit decorps on the part of all employees and technical help
- * After one of his key employees, Mr. Al Waterson, had a personal tragedy - his wife died suddenly on Christmas Day - Tom Schloss wanted to fire him because he was mopping around and was of no use

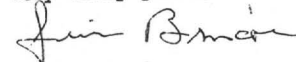
Tom Chandler
Steve Weatherspoon
May 31, 1984
Page 2 of 2

- * The lease with the Tombstone Development Company was in jeopardy because of poor reporting and lack of royalties or even reports as to production inspite of apparent production
- * Incompetent personnel on site - could not operate equipment properly
- * The heap had potential for being re-leached as predicted by James A. Briscoe
- * John Dean, Schloss's consultant, calls him a crook
- * John Dean has not been paid for approximately 9 months
- * John Dean willing to give references to James A. Briscoe as to his technical competence

I might remind you also as background to this, the price of gold was approximately \$800 per ounce and the price of silver was more than \$30 per ounce at this time.

I personally decided to work with Tom Schloss because of his connections and understanding of the New York Stock Market. An old man - at this day in time - ended up making his company \$127 million by selling silver forward from the Candelaria Mine in Central Nevada. This old man was Oxidental Petroleum Chairman, Dr. Armand Hammer. Tom Schloss should have been able to do the same thing for silver at Tombstone if he had simply used good business practice.

Very truly yours,



James A. Briscoe

JAB/ms

Attachment

James A. Briscoe & Associates, Inc.
Tucson, Arizona

ATTACHMENT 1

Comments with references to January 31, 1980, telephone conversation, #8372, with Dr. John Dean

ITEM # 1 - (Reference) Page 1, Last few lines

During the week of May 28, 1984, Steve Weatherspoon reported that Ken Allen, et al. suggested that John Dean was too old and decrepit to make further contributions to the Tombstone project, and so therefore they had not much contact with him recently and he would not be worth depositioning for the trial. This is simply untrue. In 1980, as you can see from the later part of page 1, Dr. Dean was cutting firewood in mid-winter with a chain saw. I don't believe that I have talked with him since the spring of 1980, but at that time, he was a vigorous, energetic, mentally alert man, appearing no more than 65 years of age, though he might have been in his early 70's. A more probable reason for their lack of interest in hearing again from John Dean is he has probably not been paid and, therefore, is quite disenchanted. By all means, I think that we should be sure and deposition him. I believe the whole context of this telephone conversation will indicate the reasons.

ITEM #2 - Pay

The thread of thought throughout this conversation with John Dean is that he has not been paid for his very reduced rate consulting since I "accidentally" paid him sometime around July of 1979. At that time, Dean had not been paid for several months, and had been sending me copies of his bill, and begging me to intercede to get Tom Schloss to pay him. Schloss accidentally sent money to the Tombstone operating account, and I immediately paid Dean. Schloss was exceedingly irate that I had made a payment to Dean and tried to get it reversed, but I acted quickly enough so that could not be done. This was the only pay that Dean - Schloss's consultant, not one of my staff - had been paid in approximately 9 months of consulting work. Dean was also not billing all of the time that he expended, and working at a very cut rate to boot. Obviously, he had very good reason to be unhappy about the whole situation.

References are as follows:

Page 2, Paragraphs # 4, # 6, #8;
Page 9, Paragraphs # 5
Page 10, Paragraphs # 1, # 3
Page 12, Paragraphs # 3
Page 13, Paragraphs # 1, # 3
Page 17, Paragraphs #12
Page 19, Paragraphs # 3

James A. Briscoe & Associates, Inc.
Tucson, Arizona

Item #2 references continued...

Page 21, Paragraphs # 1

ITEM #3 - Pay for miners and other vendors

This was a continuing problem. Tom Schloss immediately abrogated agreements we made by not paying consulting fees to myself or other staff members, which, of course, were required to pay overhead, aside from salaries. Further, he was continually late in making what payments he did make, with continual vexing problems in receiving monies that were supposedly wired to the operating account. Vendors were not paid on time, and, therefore, services could not be obtained in a timely manner. I assumed that this would have ceased immediately on my departure, but it really didn't, as indicated by the following references:

Page 5, Paragraphs # 3
Page 8, Paragraphs # 2, # 3
Page 9, Paragraphs # 1, # 3, # 4, & # 5
Page 13, Paragraphs # 4
Page 15, Paragraphs # 4

ITEM #4 - Esprit de corps (morale at the mine)

In any business enterprise, the morale or esprit de corps of the employees is critical. When I got to Tombstone, that was one of the first things I endeavored to buck up. After Tom Schloss took over the esprit decor was abysmal.
Reference:

Page 2, Paragraphs #10 - the closedown of his own business, Famco
Page 3, Paragraphs # 1
Page 5, Paragraphs # 2, # 3
Page 7, Paragraphs # 9
Page 8, Paragraphs # 1
Page 9, Paragraphs # 1, # 2, # 3
Page 12, Paragraphs # 3
Page 13, Paragraphs # 1
Page 15, Paragraphs # 4
Page 17, Paragraphs #10, #12
Page 19, Paragraphs # 3
Page 21, Paragraphs # 1

ITEM #5 - Competence of Tom Schloss and staff of mine (this includes Schloss and Dusty Escapule

Page 5, Paragraphs # 1 (The last four lines)
Page 7, Paragraphs # 3, # 6, # 7
Page 8, Paragraphs # 2, # 3
Page 9, Paragraphs # 1
Page 10, Paragraphs #11 (Incompetence on part of Dusty Escapule, as well as general incompetence)
Page 11, Paragraphs #11 (Continued from previous page)
4
Page 12, Paragraphs # 1
Page 13, Paragraphs # 4
Page 14, Paragraphs # 2, # 4, # 6

ITEM #6 - Competence of Briscoe

References:

Page 6, Paragraphs # 6
Page 10, Paragraphs # 7 A good barrel testing setup that was already in way back - (installed by Briscoe & Waldrip)
Page 11, Paragraphs # 4
Page 13, Paragraphs # 3 (Concerning the heap)
6 "...but so far as I can tell, technically the promise is substantially better than we had even with an optimistic view"
7 "...so it should pay off very handsomely"
8 "...yes"
Page 15, Paragraphs # 6, # 8
Page 16, Paragraphs # 7, # 8
Page 21, Paragraphs #10, #11, #12
Page 22, Paragraphs # 1, # 6, # 7

ITEM #7 - Integrity of Tom Schloss

Tom Schloss' integrity has suffered mightily in the eyes of John Dean (his consultant). References are:

Page 3, Paragraphs # 5
Page 5, Paragraphs # 3
Page 8, Paragraphs # 1, # 5
Page 9, Paragraphs # 3
Page 10, Paragraphs # 3

Item #7 references continued...

Page 12, Paragraphs # 3
Page 13, Paragraphs # 1, # 3
Page 15, Paragraphs # 4
Page 17, Paragraphs #13 John Dean calls Tom Schloss a
crook
Page 18, Paragraphs # 1
Page 20, Paragraphs # 5
Page 21, Paragraphs # 1

ITEM #8 - Schloss intentions to screw Briscoe

References:

Page 3, Paragraphs # 5 Comments regarding Tom Schloss
seeking protection via the
coporate veil shielding his
personal assets
Page 15, Paragraphs # 4 taking these comments in
context, and knowing John
Dean, I suspect that Tom
described in some detail how
he was going to screw me "down
to whatever nubbin he could
get away with".

ITEM #9 - Occidental Minerals Corporation locates a major
anomaly in the Fox Ranch area.

The Fox Ranch area lies approximately 3 1/2 to 4 miles west
of the main Tombstone District, where the Tombstone
Development claims under lease to Briscoe & Schloss are.
The Fox Ranch is held by unpatented mining claims by Ernie
Escapule Jr. and Joe Escapule, and lies west and north of
the State of Maine Mine, owned by Charles and Louie
Escapule. I originally recommended this area in 1979, on
numerous occasions, some of which were attended by John
Dean.

In 1983 (fall I think), Tom Schloss leased the Fox Ranch
claims from Ernie Escapule, Jr., father of Dustin Escapule,
the T.E.I. Mine Superintendent, but has not leased the
claims owned by Joe Escapule as they are unavailable. It
is my contention that whatever Tom Schloss does within the
Tombstone Mining District, and in particular, these
particular claims, since I specifically recommended them, I
should have a proportionate share of.

James A. Briscoe & Associates, Inc.
Tucson, Arizona

References are as follows:

Page 15, Paragraphs # 6
Page 16, Paragraphs # 5 through #12

ITEM #10 - John Dean does not want to be a technical witness for
Tom Schloss in any legal proceedings

Reference:

Page 15, Paragraphs # 4 (last few sentences)
Page 17, Paragraphs #10, #12

ITEM #11 - John Dean finds evidence of theft

Reference:

Page 20, Paragraphs # 5
Page 21, Paragraphs # 1

James A. Briscoe & Associates, Inc.
Tucson, Arizona

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

June 5, 1984

Bill Hight
Tombstone Development Co.
P. O. Box 1445
Grand Island, NE 68801

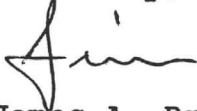
RE: Transmittal of paperwork on lode claims located in January

Dear Bill:

Here are the unpatented lode claims located in January interior to the TDC patented claim block that you have requested be forwarded to the T.E.I. people in the Tombstone Mining District.

If you have any questions, please don't hesitate to call me.

Sincerely,



James A. Briscoe

JAB/ms

Enclosure

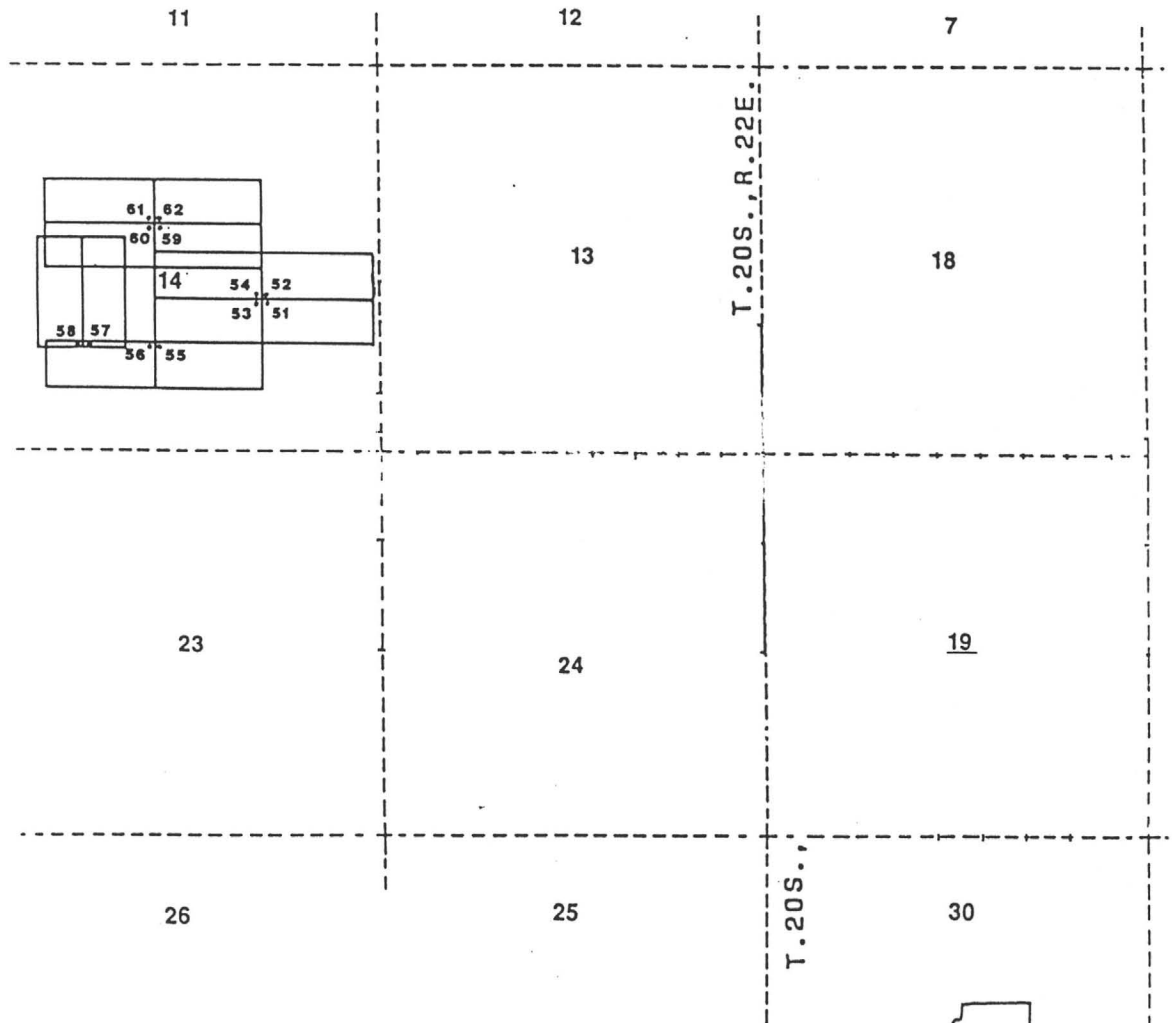
ATTACHMENT 1

T.S.A. LOPE MINING CLAIM GROUP MASTER CLAIM LIST
 TOMBSTONE MINING DISTRICT
 COCHISE COUNTY, ARIZONA
 CLAIMS LOCATED JANUARY, 1984

PAGE 1 OF 1

CLAIM NAME/ NUMBER	BOOK	PAGE	B.L.M. SERIAL NUMBER	LEGAL	LEGAL DESCRIPTION			
					SECTION	TOWN- SHIP	RANGE	MERIDIAN
T.S.A.# 51	1741	337	A-MC- 215480	SE1/4	14	20S.	22E.	G.&S.R.B.M.
T.S.A.# 52	1741	338	A-MC- 215481	SE1/4	14	20S.	22E.	G.&S.R.B.M.
T.S.A.# 53	1741	339	A-MC- 215482	SE1/4	14	20S.	22E.	G.&S.R.B.M.
				SW1/4	14	20S.	22E.	G.&S.R.B.M.
T.S.A.# 54	1741	340	A-MC- 215483	SE1/4	14	20S.	22E.	G.&S.R.B.M.
				SW1/4	14	20S.	22E.	G.&S.R.B.M.
T.S.A.# 55	1741	341	A-MC- 215484	SE1/4	14	20S.	22E.	G.&S.R.B.M.
				SW1/4	14	20S.	22E.	G.&S.R.B.M.
T.S.A.# 56	1741	342	A-MC- 215485	SW1/4	14	20S.	22E.	G.&S.R.B.M.
T.S.A.# 57	1741	343	A-MC- 215486	NW1/4	14	20S.	22E.	G.&S.R.B.M.
				SW1/4	14	20S.	22E.	G.&S.R.B.M.
T.S.A.# 58	1741	344	A-MC- 215487	NW1/4	14	20S.	22E.	G.&S.R.B.M.
				SW1/4	14	20S.	22E.	G.&S.R.B.M.
T.S.A.# 59	1741	345	A-MC- 215488	NE1/4	14	20S.	22E.	G.&S.R.B.M.
				NW1/4	14	20S.	22E.	G.&S.R.B.M.
				SE1/4	14	20S.	22E.	G.&S.R.B.M.
				SW1/4	14	20S.	22E.	G.&S.R.B.M.
T.S.A.# 60	1741	346	A-MC- 215489	NW1/4	14	20S.	22E.	G.&S.R.B.M.
				SW1/4	14	20S.	22E.	G.&S.R.B.M.
T.S.A.# 61	1741	347	A-MC- 215490	NW1/4	14	20S.	22E.	G.&S.R.B.M.
T.S.A.# 62	1741	348	A-MC- 215491	NE1/4	14	20S.	22E.	G.&S.R.B.M.
				NW1/4	14	20S.	22E.	G.&S.R.B.M.

T.S.A. LODE MINE CLAIM GROUP
TOMBSTONE MINING DISTRICT
COCHISE COUNTY, ARIZONA
MAP 1 OF 1



Claims located in surveyed section
14 T.20S., R.22E. G.&S.R.B.H.

LOCATOR: Thomas E. Waldrip, Jr.
OWNER: Tombstone Development Co.
P. O. Box 1445
Grand Island, NE 68801
LOCATED: January 28, 1984

MAP SCALE: 1" = 2000'

All mineral discoveries are located on Federal Mineral Grounds (Public Domain) open to mineral entry. At times certain claim boundaries, as defined by corner posts, may overlap non-open grounds. The rights of others, both governmental and private, to these lands are respected. Claim is established only to those grounds (areas) open to mineral entry.



NOTICE OF LOCATION - LODE MINING CLAIM

TO ALL WHOM IT MAY CONCERN:

The undersigned having complied with the requirements of Title 30, United States Code, Section 28 and the local laws, customs and regulations of the State of Arizona, hereby gives notice that he (she, they) has (have) located the T.S.A. # 51 Lode Mining Claim in the (un) surveyed Sect. 14 T. 20S, R. 22E, G. & S.R.B.M. in the Tombstone Mining District in Cochise County, in the State of Arizona, on the 28th day of JANUARY, 1984.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

Locator(s): Thomas E. Waldrip, Jr. 4426 E. Patricia
Tucson, Arizona 85712

Owner(s): Tombstone Development Company P. O. Box 1445
Grand Island, NE 68801

The claim is 1,500 feet long and 600 feet wide. The claim runs from the Notice of Location Monument on which this notice is posted 50 feet in a WEST direction to the WEST end line, and 1450 feet in a EAST direction to the EAST end line, along with 50 feet in a EAST direction to the EAST side line, and 550 feet in a WEST direction to the WEST side line. This Notice of Location is posted on the NW corner of the claim. The general course of the lode deposit and premises is from the Northerly to the Southerly.

On the ground, each corner and end-center of the claim is marked with its appropriate number by a metal tag affixed to the post embossed with the name of the claim and its number. The description of each corner is as follows (describe the corner(s), such as 4"x 4" wooden post): Posts no. 1, 2, 3, 4, 5, & 6 are all 2"x 2" x 6' wooden posts embedded one foot in the ground. Post #1 is the Northwest Corner, Post #2 is the North End-Center, Post #3 is the Southwest Corner, Post #4 is the Southeast Corner, Post #5 is the South End-Center and Post #6 is the Northeast Corner.

The Location Notice Monument is situated about 7250 feet north and 12150 feet west of the NW corner of Sect. 29, Twp. 20S., Range 23E.

The claim is located in the following section(s), all or part of which are projected in:

SE 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
____ 1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
____ 1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
____ 1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.

An exact duplicate of this Notice of Location is on file for record (within 90 days of location as dated herein) with the Cochise County Clerk, in whose jurisdiction this claim is located. All appropriate recording fees have been paid and maps submitted as provided in A.R.S. on lode mining filings.

Dated this 28th day of JANUARY, 1984.

Thomas E. Waldrip, Jr.

(locator sign here)
Thomas E. Waldrip, Jr.

Recorder's Stamp



STATE OF ARIZONA } SS.
COUNTY OF COCHISE }
WITH MY HAND AND OFFICIAL SEAL
CHRISTINE MICHEL, COUNTY RECORDER
INDEXED
FILED
COMPANIES

I HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT IS A TRUE AND CORRECT
AT _____ ON _____
JAN 23 1984

DATE FEB 23 1984 12:15 PM
PAGE 337 NO 3717
DOCKET

DOI 1741 PAGE 337

NOTICE OF LOCATION - LORE MINING CLAIM

TO ALL WHOM IT MAY CONCERN:

The undersigned having complied with the requirements of Title 30, United States Code, Section 28 and the local laws, customs and regulations of the State of Arizona, hereby gives notice that he (she, they) has (have) located the T.S.A. # 52 Lore Mining Claim in the (un) surveyed Sect. 14 T. 20S, R. 22E, G.S.R.B.M. in the Tombstone Mining District in Cochise County, in the State of Arizona, on the 28th day of JANUARY, 1984.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

Locator(s): Thomas E. Waldrip, Jr. 4426 E. Patricia
Tucson, Arizona 85712

Owner(s): Tombstone Development Company P. O. Box 1445
Grand Island, NE 68801

The claim is 1,500 feet long and 600 feet wide. The claim runs from the North direction to the West end line, and 1450 feet in a South direction to the South end line, along with 550 feet in a East direction to the East side line, and 50 feet in a West direction to the West side line. This Notice of Location is posted on the SW corner of the claim. The general course of the lode deposit and premises is from the East to the South.

On the ground, each corner and end-center of the claim is marked with its appropriate number by a metal tag affixed to the post embossed with the name of the claim and its number. The description of each corner is as follows (describe the corner(s), such as 4"x 4" wooden post): Posts no. 1, 2, 3, 4, 5, & 6 are all 2"x 2" x 6' wooden posts embedded one foot in the ground. Post #1 is the Northwest Corner, Post #2 is the West End-Center, Post #3 is the Southwest Corner, Post #4 is the Southeast Corner, Post #5 is the East End-Center and Post #6 is the Northeast Corner.

The Location Notice Monument is situated about 7350 feet north and 12,150 feet west of the NW corner of Sect. 29, Twp. 20S., Range 23E.

The claim is located in the following section(s), all or part of which are projected in:

SE 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.

An exact duplicate of this Notice of Location is on file for record (within 90 days of location as dated herein) with the Cochise County Clerk, in whose jurisdiction this claim is located. All appropriate recording fees have been paid and maps submitted as provided in A.R.S. on lode mining filings.

Dated this 28th day of JANUARY, 1984.

Thomas E. Waldrip, Jr.

(locator sign here)

Thomas E. Waldrip, Jr.

Recorder's Stamp



STATE OF ARIZONA
COUNTY OF COCHISE

WITNESS MY HAND AND OFFICIAL SEAL
CHRISTINE RHOADS, COUNTY RECORDER

INDEXED
COPIES

I HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS FILED AND RECORDED
AT REQUEST OF

James P. Buscoe
4 Assoc.

DEPUTY CLERK

DATE FEB 23 1984 12:15 PM

3742

DOCKET

PAGE 338

NO 3718

DKT 1741 PAGE 338

NOTICE OF LOCATION - LODE MINING CLAIM

TO ALL WHOM IT MAY CONCERN:

The undersigned having complied with the requirements of Title 30, United States Code, Section 28 and the local laws, customs and regulations of the State of Arizona, hereby gives notice that he (she, they) has (have) located the T.S.A. # 53 Lode Mining Claim in the (un) surveyed Sect. 14 T. 20S, R. 22E, G.E.S.R.B.M. in the Tombstone Mining District in Cochise County, in the State of Arizona, on the 28th day of JANUARY, 1984.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

Locator(s): Thomas E. Waldrip, Jr. 4426 E. Patricia
Tucson, Arizona 85712

Owner(s): Tombstone Development Company P. O. Box 1445
Grand Island, NE 68801

The claim is 1,500 feet long and 600 feet wide. The claim runs from the Notice of Location Monument on which this notice is posted 1450 feet in a North direction to the West end line, and 50 feet in a South direction to the South end line, along with 50 feet in a East direction to the East side line, and 50 feet in a South direction to the West side line. This Notice of Location is posted on the NE corner of the claim. The general course of the lode deposit and premises is from the Northerly to the Southerly.

On the ground, each corner and end-center of the claim is marked with its appropriate number by a metal tag affixed to the post embossed with the name of the claim and its number. The description of each corner is as follows (describe the corner(s), such as 4"x 4" wooden post): Posts no. 1, 2, 3, 4, 5, & 6 are all 2"x 2" x 6' wooden posts embedded one foot in the ground. Post #1 is the Northwest Corner, Post #2 is the North End-Center, Post #3 is the Southwest Corner, Post #4 is the Southeast Corner, Post #5 is the East End-Center and Post #6 is the Northeast Corner.

The Location Notice Monument is situated about 7250 feet north and 12,250 feet west of the NW corner of Sect. 29, Twp. 20S., Range 23E.

The claim is located in the following section(s), all or part of which are projected in:

SE 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
SW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
____ 1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
____ 1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.

An exact duplicate of this Notice of Location is on file for record (within 90 days of location as dated herein) with the Cochise County Clerk, in whose jurisdiction this claim is located. All appropriate recording fees have been paid and maps submitted as provided in A.R.S. on lode mining filings.

Dated this 28th day of JANUARY, 1984.

Thomas E. Waldrip, Jr.

(locator sign here)
Thomas E. Waldrip, Jr.

Recorder's Stamp



STATE OF ARIZONA
COUNTY OF COCHISE

WITNESS MY HAND AND OFFICIAL SEAL
CHIEF CLERK COUNTY RECORDER

INDEXED
FILED
COMPARED

I HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS FILED AND RECORDED
AT RECORDER'S OFFICE

RECEIVED
FEB 23 1984 12:15 PM
PAGE 339 NO 3719
DOCKET

EX 1741 PAGE 339

NOTICE OF LOCATION - LODE MINING CLAIM

TO ALL WHOM IT MAY CONCERN:

The undersigned having complied with the requirements of Title 30, United States Code, Section 28 and the local laws, customs and regulations of the State of Arizona, hereby gives notice that he (she, they) has (have) located the T.S.A. # 54 Lode Mining Claim in the (un) surveyed Sect. 14 T. 20S, R. 22E, G. & S.R.B.M. in the Tombstone Mining District in Cochise County, in the State of Arizona, on the 28th day of JANUARY, 1984.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

Locator(s): Thomas E. Waldrip, Jr. 4426 E. Patricia
Tucson, Arizona 85712

Owner(s): Tombstone Development Company P. O. Box 1445
Grand Island, NE 68801

The claim is 1,500 feet long and 600 feet wide. The claim runs from the Notice of Location Monument on which this notice is posted 1450 feet in a West direction to the North end line, and 50 feet in a East direction to the East end line, along with 550 feet in a North direction to the East side line, and 50 feet in a West direction to the West side line. This Notice of Location is posted on the SE corner of the claim. The general course of the lode deposit and premises is from the Northerly to the Southerly.

On the ground, each corner and end-center of the claim is marked with its appropriate number by a metal tag affixed to the post embossed with the name of the claim and its number. The description of each corner is as follows (describe the corner(s), such as 4"x 4" wooden post): Posts no. 1, 2, 3, 4, 5, & 6 are all 2"x 2" x 6' wooden posts embedded one foot in the ground. Post #1 is the Northwest Corner, Post #2 is the West End-Center, Post #3 is the Southwest Corner, Post #4 is the Southeast Corner, Post #5 is the South End-Center and Post #6 is the Northeast Corner.

The Location Notice Monument is situated about 7350 feet north and 12,250 feet west of the NW corner of Sect. 29, Twp. 20S., Range 23E.

The claim is located in the following section(s), all or part of which are projected in:

SE 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
SW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.

An exact duplicate of this Notice of Location is on file for record (within 90 days of location as dated herein) with the Cochise County Clerk, in whose jurisdiction this claim is located. All appropriate recording fees have been paid and maps submitted as provided in A.R.S. on lode mining filings.

Dated this 28th day of JANUARY, 1984.

Thomas E. Waldrip, Jr.

(Locator sign here)
Thomas E. Waldrip, Jr.

Recorder's Stamp



STATE OF ARIZONA
COUNTY OF COCHISE

WITHIN AND TO HAVE FOR THE SAME DEED
CHRISTINE RAGGOS. COUNTY RECORDER

INDEXED
COMPLETED

I HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS
AT REQUEST OF

James A. Briscoe
J. Briscoe

1741
DOCKET

FEB 23 1984 12:15 PM

340 3720

DXT 1741 PAGE 340

NOTICE OF LOCATION - LODE MINING CLAIM

TO ALL WHOM IT MAY CONCERN:

The undersigned having complied with the requirements of Title 30, United States Code, Section 28 and the local laws, customs and regulations of the State of Arizona, hereby gives notice that he (she, they) has (have) located the T.S.A. # 55 Lode Mining Claim in the (un) surveyed Sect. 14 T. 20S, R. 22E, G. & S.R.B.M. in the Tombstone Mining District in Cochise County, in the State of Arizona, on the 28th day of JANUARY, 1984.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

Locator(s): Thomas E. Waldrip, Jr. 4426 E. Patricia
Tucson, Arizona 85712

Owner(s): Tombstone Development Company P. O. Box 1445
Grand Island, NE 68801

The claim is 1,500 feet long and 600 feet wide. The claim runs from the Notice of Location Monument on which this notice is posted 50 feet in a WEST direction to the NORTH end line, and 1450 feet in a EAST direction to the SOUTH end line, along with 50 feet in a WEST direction to the EAST side line, and 550 feet in a SOUTH direction to the WEST side line. This Notice of Location is posted on the NW corner of the claim. The general course of the lode deposit and premises is from the Northerly to the Southerly.

On the ground, each corner and end-center of the claim is marked with its appropriate number by a metal tag affixed to the post embossed with the name of the claim and its number. The description of each corner is as follows (describe the corner(s), such as 4"x 4" wooden post): Posts no. 1, 2, 3, 4, 5, & 6 are all 2"x 2" x 6' wooden posts embedded one foot in the ground. Post #1 is the Northwest Corner, Post #2 is the West End-Center, Post #3 is the Southwest Corner, Post #4 is the Southeast Corner, Post #5 is the East End-Center and Post #6 is the Northeast Corner.

The Location Notice Monument is situated about 6700 feet north and 13,650 feet west of the NW corner of Sect. 29, Twp. 20S., Range 23E.

The claim is located in the following section(s), all or part of which are projected in:

SE 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
SW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.

An exact duplicate of this Notice of Location is on file for record (within 90 days of location as dated herein) with the Cochise County Clerk, in whose jurisdiction this claim is located. All appropriate recording fees have been paid and maps submitted as provided in A.R.S. on lode mining filings.

Dated this 28th day of JANUARY, 1984.

Thomas E. Waldrip, Jr.

(Locator sign here)

Thomas E. Waldrip, Jr.

Recorder's Stamp



STATE OF ARIZONA
COUNTY OF COCHISE
WITHIN MY HAND AND OFFICIAL SEAL
CHRISTINE RHODES, COUNTY RECORDER
DEPUTY
INDEXED
SERIALIZED
FILED

I HEREBY CERTIFY THAT THE ABOVE
CLAIM WAS FILED AND RECORDED
AT THE OFFICE OF
James A. Branson
& Assoc. Att.
FEE \$5.00
DRAFT
DATE FEB 23 1984 12:15 PM
BOOK 184 PAGE 341 NO. 3721

DKI 1711 PAGE 341

NOTICE OF LOCATION - LODE MINING CLAIM

TO ALL WHOM IT MAY CONCERN:

The undersigned having complied with the requirements of Title 30, United States Code, Section 28 and the local laws, customs and regulations of the State of Arizona, hereby gives notice that he (she, they) has (have) located the T.S.A. # 56 Lode Mining Claim in the (un) surveyed Sect. 14 T. 20S, R. 22E, G. & S.R.B.M. in the Tombstone Mining District in Cochise County, in the State of Arizona, on the 28th day of JANUARY, 1984.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

Locator(s): Thomas E. Waldrip, Jr. 4426 E. Patricia
Tucson, Arizona 85712

Owner(s): Tombstone Development Company P. O. Box 1445
Grand Island, NE 68801

The claim is 1,500 feet long and 600 feet wide. The claim runs from the Notice of Location Monument on which this notice is posted 1450 feet in a North direction to the North end line, and 50 feet in a East direction to the East end line, along with 50 feet in a East direction to the North side line, and 550 feet in a West direction to the West side line. This Notice of Location is posted on the NE corner of the claim. The general course of the lode deposit and premises is from the North to the South.

On the ground, each corner and end-center of the claim is marked with its appropriate number by a metal tag affixed to the post embossed with the name of the claim and its number. The description of each corner is as follows (describe the corner(s), such as 4"x 4" wooden post): Posts no. 1, 2, 3, 4, 5, & 6 are all 2"x 2" x 6' wooden posts embedded one foot in the ground. Post #1 is the Northwest Corner, Post #2 is the North End-Center, Post #3 is the Southwest Corner, Post #4 is the Southeast Corner, Post #5 is the South End-Center and Post #6 is the Northeast Corner.

The Location Notice Monument is situated about 6700 feet north and 13,750 feet west of the NW corner of Sect. 29, Twp. 20S., Range 23E.

The claim is located in the following section(s), all or part of which are projected in:

SW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.

An exact duplicate of this Notice of Location is on file for record (within 90 days of location as dated herein) with the Cochise County Clerk, in whose jurisdiction this claim is located. All appropriate recording fees have been paid and maps submitted as provided in A.R.S. on lode mining filings.

Dated this 28th day of JANUARY, 1984.

Thomas E. Waldrip, Jr.

(locator sign here)

Thomas E. Waldrip, Jr.

Recorder's Stamp



STATE OF ARIZONA
COUNTY OF COCHISE
WITNESS MY HAND AND OFFICIAL SEAL
CHRISTINE RHODES, COUNTY RECORDER
DEPUTY
INDEXED
FILED
NOTED

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT WAS FILED AND RECORDED AT THE COUNTY CLERK'S OFFICE
DATE FEB 23 1984
PAGE 342
DOCKET NO. 1741

DKT 1741 PAGE 342

NOTICE OF LOCATION - LODE MINING CLAIM

TO ALL WHOM IT MAY CONCERN:

The undersigned having complied with the requirements of Title 30, United States Code, Section 28 and the local laws, customs and regulations of the State of Arizona, hereby gives notice that he (she, they) has (have) located the T.S.A. # 57 Lode Mining Claim in the (un) surveyed Sect. 14 T. 20S, R. 22E, G. & S.R.B.M. in the Tombstone Mining District in Cochise County, in the State of Arizona, on the 28th day of JANUARY, 1984.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

Locator(s): Thomas E. Waldrip, Jr. 4426 E. Patricia
Tucson, Arizona 85712

Owner(s): Tombstone Development Company P. O. Box 1445
Grand Island, NE 68801

The claim is 1,500 feet long and 600 feet wide. The claim runs from the Notice of Location Monument on which this notice is posted 1450 feet in a North direction to the North end line, and 50 feet in a South direction to the South end line, along with 550 feet in a East direction to the East side line, and 50 feet in a West direction to the West side line. This Notice of Location is posted on the SW corner of the claim. The general course of the lode deposit and premises is from the Northerly to the Southerly.

On the ground, each corner and end-center of the claim is marked with its appropriate number by a metal tag affixed to the post embossed with the name of the claim and its number. The description of each corner is as follows (describe the corner(s), such as 4"x 4" wooden post): Posts no. 1, 2, 3, 4, 5, & 6 are all 2"x 2" x 6' wooden posts embedded one foot in the ground. Post #1 is the Northwest Corner, Post #2 is the North End-Center, Post #3 is the Southwest Corner, Post #4 is the Southeast Corner, Post #5 is the South End-Center and Post #6 is the Northeast Corner.

The Location Notice Monument is situated about 6700 feet north and 14,650 feet west of the NW corner of Sect. 29, Twp. 20S., Range 23E.

The claim is located in the following section(s), all or part of which are projected in:

NW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
SW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.

An exact duplicate of this Notice of Location is on file for record (within 90 days of location as dated herein) with the Cochise County Clerk, in whose jurisdiction this claim is located. All appropriate recording fees have been paid and maps submitted as provided in A.R.S. on lode mining filings.

Dated this 28th day of JANUARY, 1984.

Thomas E. Waldrip, Jr.

(locator sign here)
Thomas E. Waldrip, Jr.

Recorder's Stamp



STATE OF ARIZONA
COUNTY OF COCHISE
WITNESSES TO THE LOCATION OF A LODE MINING CLAIM
RECORDING FEE \$5.00
DATE FEB 23 1984
INDEXED
SERIALIZED
FILED

James A. Busac
& Assoc. Inc.
FEB 23 1984 12:15 PM
DOCKET 174 PAGE 343

DKI 1741 PAGE 343

NOTICE OF LOCATION - LODE MINING CLAIM

TO ALL WHOM IT MAY CONCERN:

The undersigned having complied with the requirements of Title 30, United States Code, Section 28 and the local laws, customs and regulations of the State of Arizona, hereby gives notice that he (she, they) has (have) located the T.S.A. # 58 Lode Mining Claim in the (un) surveyed Sect. 14 T. 20S, R. 22E, G. & S.R.B.M. in the Tombstone Mining District in Cochise County, in the State of Arizona, on the 28th day of JANUARY, 1984.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

Locator(s): Thomas E. Waldrip, Jr. 4426 E. Patricia
Tucson, Arizona 85712

Owner(s): Tombstone Development Company P. O. Box 1445
Grand Island, NE 68801

The claim is 1,500 feet long and 600 feet wide. The claim runs from the Notice of Location Monument on which this notice is posted 1450 feet in a North direction to the North end line, and 50 feet in a South direction to the South end line, along with 50 feet in a East direction to the East side line, and 550 feet in a West direction to the West side line. This Notice of Location is posted on the SE corner of the claim. The general course of the lode deposit and premises is from the Northerly to the Southerly.

On the ground, each corner and end-center of the claim is marked with its appropriate number by a metal tag affixed to the post embossed with the name of the claim and its number. The description of each corner is as follows (describe the corner(s), such as 4"x 4" wooden post): Posts no. 1, 2, 3, 4, 5, & 6 are all 2"x 2" x 6' wooden posts embedded one foot in the ground. Post #1 is the Northwest Corner, Post #2 is the North End-Center, Post #3 is the Southwest Corner, Post #4 is the Southeast Corner, Post #5 is the South End-Center and Post #6 is the Northeast Corner.

The Location Notice Monument is situated about 6700 feet north and 14,750 feet west of the NW corner of Sect. 29, Twp. 20S., Range 23E.

The claim is located in the following section(s), all or part of which are projected in:

NW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
SW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.

An exact duplicate of this Notice of Location is on file for record (within 90 days of location as dated herein) with the Cochise County Clerk, in whose jurisdiction this claim is located. All appropriate recording fees have been paid and maps submitted as provided in A.R.S. on lode mining filings.

Dated this 28th day of JANUARY, 1984.

Thomas E. Waldrip, Jr.

(locator sign here)
Thomas E. Waldrip, Jr.

Recorder's Stamp



STATE OF ARIZONA
COUNTY OF COCHISE

READ BY MAIL AND OFFICIAL SEAL
FILING BUSINESS OFFICE RECORDS

INDEXED
FILED

I HEREBY CERTIFY THAT THE ABOVE
INSTRUMENT IS A TRUE AND CORRECT
AT RECORD OF

174 DATE 344 NO 3724
DOCKET

EX 1741 PAGE 344

NOTICE OF LOCATION - LODE MINING CLAIM

TO ALL WHOM IT MAY CONCERN:

The undersigned having complied with the requirements of Title 30, United States Code, Section 28 and the local laws, customs and regulations of the State of Arizona, hereby gives notice that he (she, they) has (have) located the T.S.A. # 59 Lode Mining Claim in the (un) surveyed Sect. 14 T. 20S, R. 22E, G. & S.R.B.M. in the Tombstone Mining District in Cochise County, in the State of Arizona, on the 28th day of JANUARY, 1984.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

Locator(s): Thomas E. Waldrip, Jr. 4426 E. Patricia
Tucson, Arizona 85712

Owner(s): Tombstone Development Company P. O. Box 1445
Grand Island, NE 68801

The claim is 1,500 feet long and 600 feet wide. The claim runs from the Notice of Location Monument on which this notice is posted 50 feet in a West direction to the North end line, and 1,500 feet in a South direction to the South end line, along with 50 feet in a East direction to the East side line, and 550 feet in a West direction to the West side line. This Notice of Location is posted on the NW corner of the claim. The general course of the lode deposit and premises is from the Northerly to the Southerly.

On the ground, each corner and end-center of the claim is marked with its appropriate number by a metal tag affixed to the post embossed with the name of the claim and its number. The description of each corner is as follows (describe the corner(s), such as 4"x 4" wooden post): Posts no. 1, 2, 3, 4, 5, & 6 are all 2"x 2" x 6' wooden posts embedded one foot in the ground. Post #1 is the Northwest Corner, Post #2 is the North End-Center, Post #3 is the Southwest Corner, Post #4 is the Southeast Corner, Post #5 is the South End-Center and Post #6 is the Northeast Corner.

The Location Notice Monument is situated about 8300 feet north and 13,650 feet west of the NW corner of Sect. 29, Twp. 20S., Range 23E.

The claim is located in the following section(s), all or part of which are projected in:

NE 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
NW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
SE 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
SW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.

An exact duplicate of this Notice of Location is on file for record (within 90 days of location as dated herein) with the Cochise County Clerk, in whose jurisdiction this claim is located. All appropriate recording fees have been paid and maps submitted as provided in A.R.S. on lode mining filings.

Dated this 28th day of JANUARY, 1984.

Thomas E. Waldrip, Jr.

(Locator sign here)
Thomas E. Waldrip, Jr.

Recorder's Stamp



STATE OF ARIZONA
COUNTY OF COCHISE

RECORDED

51M

James A. Bursio
+ Assoc. Inc.

FEB 23 1984 12:15 PM

074 345 3725

DAI 1741 PAGE 345

NOTICE OF LOCATION - LODE MINING CLAIM

TO ALL WHOM IT MAY CONCERN:

The undersigned having complied with the requirements of Title 30, United States Code, Section 28 and the local laws, customs and regulations of the State of Arizona, hereby gives notice that he (she, they) has (have) located the T.S.A. # 60 Lode Mining Claim in the (un) surveyed Sect. 14 T. 20S, R. 22E, G. & S.R.B.M. in the Tombstone Mining District in Cochise County, in the State of Arizona, on the 28th day of JANUARY, 1984.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

Locator(s): Thomas E. Waldrip, Jr. 4426 E. Patricia
Tucson, Arizona 85712

Owner(s): Tombstone Development Company P. O. Box 1445
Grand Island, NE 68801

The claim is 1,500 feet long and 600 feet wide. The claim runs from the Notice of Location Monument on which this notice is posted 1450 feet in a WEST direction to the WEST end line, and 50 feet in a SOUTH direction to the EAST end line, along with 50 feet in a WEST direction to the WEST side line, and 550 feet in a SOUTH direction to the SOUTH side line. This Notice of Location is posted on the NE corner of the claim. The general course of the lode deposit and premises is from the NORTHERLY to the SOUTHERLY.

On the ground, each corner and end-center of the claim is marked with its appropriate number by a metal tag affixed to the post embossed with the name of the claim and its number. The description of each corner is as follows (describe the corner(s), such as 4"x 4" wooden post): Posts no. 1, 2, 3, 4, 5, & 6 are all 2"x 2" x 6' wooden posts embedded one foot in the ground. Post #1 is the Northwest Corner, Post #2 is the North End-Center, Post #3 is the Southwest Corner, Post #4 is the Southeast Corner, Post #5 is the South End-Center and Post #6 is the Northeast Corner.

The Location Notice Monument is situated about 8300 feet north and 13,750 feet west of the NW corner of Sect. 29, Twp. 20S., Range 23E.

The claim is located in the following section(s), all or part of which are projected in:

NW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
SW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.

An exact duplicate of this Notice of Location is on file for record (within 90 days of location as dated herein) with the Cochise County Clerk, in whose jurisdiction this claim is located. All appropriate recording fees have been paid and maps submitted as provided in A.R.S. on lode mining filings.

Dated this 28th day of JANUARY, 1984.

Thomas E. Waldrip, Jr.

(locator sign here)

Thomas E. Waldrip, Jr.

Recorder's Stamp



STATE OF ARIZONA
COUNTY OF COCHISE } SS.
WITNESS MY HAND AND OFFICIAL SEAL
CHRISTINE R. HARRIS, COUNTY CLERK

DEPUTY CLERK
INDEXED P. CHECKED
COMPLETED

I HEREBY CERTIFY THAT THE ABOVE
IS A TRUE AND CORRECT
RECORD OF:
\$5.00
FEB 23 1984 12-15 PM
346 3726
DOKY 41 PART NO

DKT 1741 PAGE 346

NOTICE OF LOCATION - LODE MINING CLAIM

TO ALL WHOM IT MAY CONCERN:

The undersigned having complied with the requirements of Title 30, United States Code, Section 28 and the local laws, customs and regulations of the State of Arizona, hereby gives notice that he (she, they) has (have) located the T.S.A. # 61 Lode Mining Claim in the (un) surveyed Sect. 14 T. 20S, R. 22E, G. & S.R.B.M. in the Tombstone Mining District in Cochise County, in the State of Arizona, on the 28th day of JANUARY, 1984.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

Locator(s): Thomas E. Waldrip, Jr. 4426 E. Patricia
Tucson, Arizona 85712

Owner(s): Tombstone Development Company P. O. Box 1445
Grand Island, NE 68801

The claim is 1,500 feet long and 600 feet wide. The claim runs from the Notice of Location Monument on which this notice is posted 1450 feet in a WEST direction to the WEST end line, and 50 feet in a EAST direction to the EAST end line, along with 550 feet in a EAST direction to the EAST side line, and 50 feet in a SOUTH direction to the SOUTH side line. This Notice of Location is posted on the SE corner of the claim. The general course of the lode deposit and premises is from the Northerly to the Southerly.

On the ground, each corner and end-center of the claim is marked with its appropriate number by a metal tag affixed to the post embossed with the name of the claim and its number. The description of each corner is as follows (describe the corner(s), such as 4"x 4" wooden post): Posts no. 1, 2, 3, 4, 5, & 6 are all 2"x 2" x 6' wooden posts embedded one foot in the ground. Post #1 is the Northwest Corner, Post #2 is the WEST End-Center, Post #3 is the Southwest Corner, Post #4 is the Southeast Corner, Post #5 is the EAST End-Center and Post #6 is the Northeast Corner.

The Location Notice Monument is situated about 9400 feet north and 13,750 feet west of the NW corner of Sect. 29, Twp. 20S., Range 23E.

The claim is located in the following section(s), all or part of which are projected in:

NW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.

An exact duplicate of this Notice of Location is on file for record (within 90 days of location as dated herein) with the Cochise County Clerk, in whose jurisdiction this claim is located. All appropriate recording fees have been paid and maps submitted as provided in A.R.S. on lode mining filings.

Dated this 28th day of JANUARY, 1984.

Thomas E. Waldrip, Jr.

(locator sign here)

Thomas E. Waldrip, Jr.

Recorder's Stamp



STATE OF ARIZONA
COUNTY OF COCHISE
RECORDED
INDEXED
FILED
FEB 23 1984 12:15 PM
3727

55.00
James J. Busine
of Counsel
FEB 23 1984 12:15 PM
3727

EX 1741 PAGE 347

NOTICE OF LOCATION - LODE MINING CLAIM

TO ALL WHOM IT MAY CONCERN:

The undersigned having complied with the requirements of Title 30, United States Code, Section 28 and the local laws, customs and regulations of the State of Arizona, hereby gives notice that he (she, they) has (have) located the T.S.A. # 62 Lode Mining Claim in the (un) surveyed Sect. 14 T. 20S, R. 22E, G. & S.R.B.M. in the Tombstone Mining District in Cochise County, in the State of Arizona, on the 28th day of JANUARY, 1984.

The name(s) and post office address(es) of the locator(s) is (are) (please print):

Locator(s): Thomas E. Waldrip, Jr. 4426 E. Patricia
Tucson, Arizona 85712

Owner(s): Tombstone Development Company P. O. Box 1445
Grand Island, NE 68801

The claim is 1,500 feet long and 600 feet wide. The claim runs from the Notice of Location Monument on which this notice is posted 50 feet in a WEST direction to the WEST end line, and 1450 feet in a SOUTH direction to the EAST end line, along with 550 feet in a EAST direction to the EAST side line, and 50 feet in a WEST direction to the WEST side line. This Notice of Location is posted on the SW corner of the claim. The general course of the lode deposit and premises is from the Northerly to the Southerly.

On the ground, each corner and end-center of the claim is marked with its appropriate number by a metal tag affixed to the post embossed with the name of the claim and its number. The description of each corner is as follows (describe the corner(s), such as 4"x 4" wooden post): Posts no. 1, 2, 3, 4, 5, & 6 are all 2"x 2" x 6" wooden posts embedded one foot in the ground. Post #1 is the Northwest Corner, Post #2 is the North End-Center, Post #3 is the Southwest Corner, Post #4 is the Southeast Corner, Post #5 is the East End-Center and Post #6 is the Northeast Corner.

The Location Notice Monument is situated about 8400 feet north and 13,650 feet west of the NW corner of Sect. 29, Twp. 20S., Range 23E.

The claim is located in the following section(s), all or part of which are projected in:

NE 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
NW 1/4 of Section 14 Township 20S, Range 22E G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.
1/4 of Section _____ Township _____, Range _____ G. & S.R.B.M.

An exact duplicate of this Notice of Location is on file for record (within 90 days of location as dated herein) with the Cochise County Clerk, in whose jurisdiction this claim is located. All appropriate recording fees have been paid and maps submitted as provided in A.R.S. on lode mining filings.

Dated this 28th day of JANUARY, 1984.

Thomas E. Waldrip, Jr.

(locator sign here)

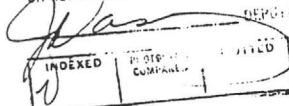
Thomas E. Waldrip, Jr.

Recorder's Stamp



STATE OF ARIZONA } SS.
COUNTY OF COCHISE

WITNESS MY HAND AND OFFICIAL SEAL
CHRISTINE ANDRUS, COUNTY CLERK



I HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS FILED AND RECORDED
AT _____

SS.00

FEB 23 1984 12:15 PM

74 348 NO 3728

DKT 1741 PAGE 348

WSMC

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

June 5, 1984

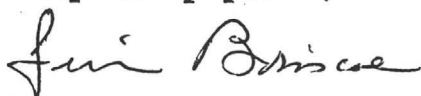
Mr. Buck Morrow, President
Western States Minerals Corporation
4975 Van Gordon Street
Wheatridge, CO 80033

RE: Transmittal of TDC operating officers and board of
directors with backgrounds

Dear Buck:

As per your request, I am transmitting to you a list of officers and directors of the Tombstone Development Company, along with biographical sketches. An updated financial statement is in preparation and will be forwarded to you as soon as I receive it.

Very truly yours,



James A. Briscoe

JAB/ms

Enclosure

cc: Mike O'Donnell
Steve Thomas
Al Cerney

Tombstone Development Company

P. O. BOX 1445

TELEPHONE 308/382-7480

GRAND ISLAND, NEBRASKA 68801

May 23, 1984

TOMBSTONE DEVELOPMENT COMPANY OFFICERS AND DIRECTORS:

WILLIAM B. HIGHT - President and Director:

Employed by Cudahy Packing Company Produce Department for 20 years. Resigned from Cudahy to purchase Fairacres Dairy in Grand Island, Nebraska. Later sold the Dairy to Roberts Dairy Company and operated (Owned) several fast food operations. Presently retired.

RICHARD E. STEPHENS - Vice President and Director:

Partner in Stephens-Ryder-McCue Insurance Agency, an old established, well recognized local agency. Also Partner in several apartment and office complexes. Partner in Ramada Motel also located in Grand Island.

LaVERNE BAXTER - Secretary-Treasurer - Director:

Operates a family cattle feeding operation in conjunction with farming. Past Director of Overland National Bank.

JEROME NIEDFELT - Director:

Partner of Platte Valley Construction Company, a road builder and drainage construction company. President of Cheyenne Constructors, Inc., Central States Constructors, Inc., Midwest Building Company. Director of Commercial National Bank, Grand Island, Nebraska. Extensive farming interests.

THOMAS BAXTER - Director:

President of T-E Cattle Company, a 25,000 head cattle feeding operation with facilities for custom feeding. This is also in conjunction with farming operation. Presently Secretary of Hall County Livestock Improvement Association. Past President of Nebraska State Feeders Association and Board Member of the Grand Island Chamber of Commerce.

Noranda Exploration, Inc.
2601 North 1st Avenue
P. O. Box 50326
Tucson, Arizona 85703-1326

noranda

Tel.: (602) 623-2505

June 11, 1984

Mr. James A. Briscoe
James A. Briscoe & Associates, Inc.
5701 E. Glenn Street, Suite 120
Tucson, AZ 85712

Re: Tombstone Development Company Property

Dear Mr. Briscoe:

I want to thank you for allowing Willy Lynch of our Denver Office to spend a couple of days reviewing your Tombstone data and examining the property on the ground. Willy was pleased with the hospitality you people showed him.

Willy is our "manto" expert" and he is presently evaluating the manto potential in other parts of the western U. S. We have decided that at the present time we are not prepared to make an offer for the Tombstone property. After we have completed more of our manto research work, we may decide that Tombstone is indeed the best place for Noranda to spend its exploration efforts. All of us who have examined the data or the property have been favorably impressed with Tombstone; our reservations lie on the side of limited size potential, however.

Again I thank you for allowing us to examine the property and we will get back in touch with you should our degree of interest change.

Sincerely yours,

Albert L. Lamarre

Albert L. Lamarre
District Manager

ALL:ev

cc: R. Kinkel
W. Lynch

TDC

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

June 14, 1984

Bill Hight, President
Lavern Baxter
Tombstone Development Company
P. O. Box 1445
Grand Island, NE 68802

RE: Transmittal of invoice from Charlou Corp., and journals
through May 31, 1984

Dear Bill & Lavern:

Attached please find a bill from the Escapule's, in the amount of \$973.64, for the costs related to building a fence around the trench in Tombstone. In my letter to you of May 9, the cost was estimated at \$683.56, so if you have already paid the estimated costs to them, the balance is \$290.08.

Also enclosed are the journals for the TDCS Trust account through May 31, 1984, for your review.

If you have any questions, please don't hesitate to call me.

Sincerely,

Mardee A. Stewart

/ms

Enclosures

CHALLOU CORP;
dba STATE OF MAINE MINING CO;
P. O. Box 1016
Tombstone, AZ, 85638

8000

CUSTOMER'S ORDER NO.	DEPT.	DATE <i>June 5, 1984</i>
NAME <i>James Brisco</i>		
ADDRESS <i>1</i>		

SOLD BY		CASH	C.O.D.	CHARGE	ON ACCT.	MOSE. RETD.	PAID OUT
QUAN.		DESCRIPTION			PRICE	AMOUNT	
<i>5</i>	<i>1</i>	<i>Rolls Barb Wire</i>			<i>29.00</i>	<i>145.00</i>	
<i>102</i>	<i>2</i>	<i>5' 6" T Post</i>			<i>2.16</i>	<i>220.64</i>	
	<i>3</i>	<i>Labor 2 men 4 days</i>				<i>608.00</i>	
	<i>4</i>	<i>Total</i>				<i>973.64</i>	
	<i>5</i>						
	<i>6</i>						
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	<i>18</i>						

REVIEWED

JUN 14 1984

By

[Signature]

REC'D BY

REDIFORM®
5H 320

KEEP THIS SLIP
FOR REFERENCE

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

June 26, 1984

Seth Horne, President
James Stewart Company
3033 N. Central Avenue
Phoenix, AZ 85012

- RE: 1. Progress report on annual assessment work for the James Stewart Company, Tombstone area, Cochise County, Arizona, Federal mining claims and state leases
2. First billing
3. Updated proposal for assessment work program 1983-84 and 1984-85

Dear Mr. Horne:

INTRODUCTION

Since the James Stewart Company asked us to proceed on the 1983-84 assessment work, we have expended some 118 hours of effort as of June 14, and have accomplished a variety of tasks (see Attachment 2).

Our first task was to determine exactly how much assessment work had to be performed since this was not clear. Attachment 1 shows a detailed list of currently valid mining claims and state leases held by the James Stewart Company, and the assessment work that has to be performed on them for the assessment year 1983-84, and 1984-85. In summary these are:

1. \$25,360 for the 1983-84 assessment year
 2. \$22,260 for the 1984-84 assessment year
- \$47,620 for the two assessment years

We recommend that the assessment for both years be done in one continuous program straddling the September 1 assessment year anniversary date. This will allow continuity of effort and increased efficiency in both the technical and expense areas. It will also relieve you of further obligation until September 1, 1986. Since it includes some drilling, there is a possibility that discoveries of near surface precious metal mineralization, or economically mineable sericite combined with production of gold, silver, lead, and zinc might be determined.

PHILOSOPHY OF WHAT SHOULD BE DONE FOR ASSESSMENT

Philosophically we believe that assessment work should be part of a carefully planned program that can be executed over an indeterminate period of time, but when completely executed, should result in the discovery of an economically viable ore body, assuming such an ore body exists, or has the potential to exist within the subject claim block. The elements of this philosophy can be summarized as follows:

1. The work should have an attainable objective - that being the discovery of a profitable ore body.
2. The data resulting from the work should be organized in a way that continuity can be maintained, and the data base increased so that the ultimate objective - the discovery of an ore body - can be attained.
3. Year to year progress, inspite of interruption, or different personnel executing the program, can be made toward the objective of ore deposit discovery.

A well designed exploration program, which can be accomplished through year to year assessment work, can be likened to a car traveling down a straight freeway towards a geographic objective. Even though the car may stop occasionally, as long as it maintains a forward direction on the freeway, its geographic goal will be obtained sooner or later. A poorly designed program with no firmly defined objectives can be likened to an automobile entering a complex city street system, with dead ends, double backs, etc. A car traveling through this maze may travel as many miles as the car on the straight freeway, but may never attain its goal, and, in fact, may end up very near its point of origin.

We believe that the James Stewart Company ground at Tombstone has good potential for mineral discovery. Heretofore, the objective has been to discover a deep seated porphyry copper ore body. Because of world economic conditions, with which you are familiar, no one is currently interested in copper - even near surface orebodies. Thus, that objective is not currently viable, although it may again become so in the future. The area, however, also has potential for near surface, as well as probable deep seated precious metal ore zones, and we believe that these can be discovered, particularly in light of new knowledge that has come to the fore within the last few years.

Seth Horne
June 26, 1984
Page 3 of 6

WORK TO DATE

As of June 14, we have made substantial headway into the project. The details of this are on Attachment 2b. In summary, we have done the following:

1. A master title list has been prepared so that we know the number of claims and state leases and pertinent data relating to them.
2. We have also visited the James Stewart Company offices, have reviewed the entire Tombstone files, and have borrowed those files, which are of importance to our technical program. In order to not disturb the filing system used by the James Stewart Company, we have reviewed and copied those files that are pertinent to our work. To summarize, we have or will perform the following operations on those files:
 1. Review
 2. Copy
 3. Organize
 4. Analyze
 5. Compile
 6. Determine what additional information may be necessary to meet our objective of discovery of an ore body.
3. As previously proposed and planned, we have had a color air photo mosaic prepared by Cooper Aerial Photography. This mosaic is at a scale of 1" = 2,000'. It is constructed in a unique way so it can be examined in stereoscopy view. With this mosaic, I intend to prepare an alteration interpretative map of the James Stewart Company ground and its environs. This will aid in mineral evaluation. Also 1" = 500' photos are in preparation for more detailed alteration studies over the Stewart ground.

PROBLEMS IDENTIFIED

Title Problems

We have identified several problem areas that relate to title for the claims. We are still working with these problems to be sure that they are real, and to see whether there are others of the same type. As we identify them or resolve them, we will give you a more thorough update. I will briefly describe them below.

Seth Horne
June 26, 1984
Page 4 of 6

The first problem area is in the way the original claims were located, or more specifically, the way the original location work was done. The original location work was done by drilling a 10' hole, which records show cost \$20.00. However, the law states that location work can be done by drilling, but the total expenditure must be at least \$100.00 per claim. The implication here is that the claims, because of insufficient dollars expended on location work, were never valid, and thus may not be valid at the present time. In recent years, the law has been changed so that no location work is required, and of course the James Stewart Company has been very diligent in maintaining assessment work with the expenditure of substantial dollar amounts over the years. Clearly the intent was to locate and properly maintain the claims. We believe that we will have to get some legal advice on this matter when we have all the information together.

The Mustang claim or claims, staked on the Mustang vein, which is the northeasterly extension (we believe) of the Charleston Lead Mine vein, had been staked over approximately eight of the James Stewart claims. We believe that the James Stewart claims should prevail, but the location problem identified in the preceding paragraph raises some question on this point. Again, we will have to obtain legal advice concerning this.

Geology

As a result of Dr. Roger Newell's Ph.D. thesis studies in the district, which was completed in 1973, but held confidential in the Stanford University archives until 1977, a much more thorough understanding of the geologic environment of the Tombstone District, and the James Stewart Company claim area is now available. This new knowledge will allow us to more effectively search for sub-surface ore bodies than was heretofore possible. It also has implications related to the interpretation of geophysical and geochemical data concerning the district. Thus, the following must be done to take advantage of this new information:

1. The Newell map must be enlarged to a scale of 1" = 500' over the Stewart ground.
2. Drill holes must be re-logged where core is still available.
3. Where core is gone, existing logs must be reinterpreted.

4. Graphic logs must be re-done so that cross sections can be reconstructed in light of the new knowledge.

The above work will be done by computer aided drafting methods as much as possible, this saving both time and expense, as well as making the information more accurate and easily updateable in the future.

Geophysics

We are compiling all geophysical data which pertains to the James Stewart Company ground on overlays to the new geologic map, which is at a scale of 1" = 500'. The geophysical data will then be reinterpreted.

Geochemistry

Surface as well as sub-surface geochemistry available from Newell's work, as well as the James Stewart Company work will also be replotted at the 1" = 500' scale.

POSITIVE FACTORS

Many favorable assays appear in the logs of past drilling. Unfortunately, since the exploration programs were designed for deep seated porphyry copper, near-surface portions of the various holes were generally not assayed, or assayed only sporadically, and most assays were for copper and molybdenum with only sporadic assays for precious metals. Thus, there appears to be potential for discovery of near-surface ore bodies that may have been overlooked in the previous drilling. We may be able to use the newly available UNC Silver MAP portable x-ray fluorescence unit to probe some existing drill holes and determine silver content.

Preliminary re-evaluation of the James Stewart Company data suggests that there may be, because of price changes within the last few years, economically viable occurrences of sericite, with by-product gold, silver, lead, and zinc, occurring within the immediate Charleston Lead Mine area. As part of the assessment work program, we will do more detailed evaluation to determine whether this preliminary impression is correct. We will first evaluate existing data. However, additional drilling may be necessary for complete evaluation.

We are very enthusiastic about the potential for discovery of profitable ore bodies within the James Stewart ground.

Seth Horne
June 26, 1984
Page 6 of 6

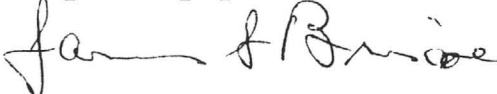
RECOMMENDATIONS

We would like to recommend to you the following concerning the James Stewart ground.

1. Complete the two years of assessment requirements for the assessment years 1983-84 and 1984-85 by straddling the September 1 assessment anniversary date. This should be done so that continuity of effort is not lost, and economic efficiency is maintained. The cost would be \$47,620.00, as detailed in Attachment 2.
2. Clear up title problems that may exist. Legal fees (probably fairly minimal) cannot be used as assessment work.
3. Consider the full air track drill program of \$34,000.00 (as described in Attachment 2), which would result in at least 100 holes to a depth of 100'. Such a program would increase the total cost of the assessment work program to approximately \$69,000.00. (Attachment 2)

We will continue to give you updates as the work progresses. As information from our continuing work comes to the fore, it may be necessary to revamp and update our plans for the total program. However, in no event will we expend more than has been authorized by the James Stewart Company.

Very truly yours,



James A. Briscoe
Registered Professional Geologist
Arizona and California

JAB/ms

cc: Steve Halbert

DATES OF LOCATION

APACHE GROUP: 44 unpatented lode mining claims

Apache #'s	1 thru	17	located	05/29/69
Apache #'s	18 thru	26	located	05/31/69
Apache #'s	27 thru	39	located	09/01/73
Apache #'s	40 thru	44	located	09/17/73

HORNE GROUP: 71 unpatented lode mining claims

Horne #'s	1 thru	5	located	07/27/67
Horne #'s	6 and	7	located	08/02/67
Horne #'s	8			
	19 thru	32		
	43 thru	51	located	08/04/67
Horne #	17		located	08/05/67
Horne #'s	12 thru	16		
	18		located	08/22/67
Horne #'s	110 thru	117	located	09/20/67
Horne #'s	156 thru	158	located	10/17/67
Horne #'s	9 thru	11		
	61 thru	69		
	164 thru	172	located	10/31/67
Horne #'s	155		located	11/27/70

JARED GROUP: 27 unpatented lode mining claims

Jared #'s	1 thru	6		
	15 thru	18	located	08/06/80
Jared #'s	7 thru	14		
	19 thru	22	located	08/07/80
Jared #'s	23 thru	27	located	08/08/80

STEWART GROUP: 9 unpatented lode mining claims

Stewart #'s	1 and	2	located	07/17/67
Stewart #'s	4		located	07/19/67
Stewart #'s	5 thru	7	located	07/22/67
Stewart #'s	3		located	07/31/67
Stewart #'s	8 and	9	located	11/27/70

SUITER GROUP: 12 unpatented lode mining claims

Suiter #'s	1	and	2	located	01/28/28
Suiter #'s	3	and	4	located	02/11/28
Suiter #'s	5	and	6	located	02/14/28
Suiter #'s	7			located	03/20/28
Suiter #'s	8			located	04/24/28
Suiter #'s	9 thru	12	located	09/01/28	

Assessment work due by Stewart Mines during the 1984 calendar year on Federal unpatented mining claims and State of Arizona prospecting permits:

UNPATENTED MINING CLAIMS:

Apache Group	44 claims	
Horne Group	71 claims	- 8 under lease to W. W. Grace.
Jared Group	27 claims	
Stewart Group	9 claims	
Suiter Group	12 claims	

Total unpatented mining claims 163

Assessment @ \$100/claim x 163 claims = \$16,300

STATE LANDS:

P.P.#77664-S - Expiration date 01/21/85 Acreage 309.27 acres of Section 36, T.20S., R.21E. This prospecting permit is due to expire next year. Therefore, work will probably not be done, unless it is anticipated going forward with a state lease in which case work will need to be done and evidence of economic mineralization proven to the state. Assuming the later condition will apply and that the permit is in the 5th year requiring \$20.00 of work per acre, a total of \$6,200.00 of work needs to be done

P.P.# 81908-S - Expiration date 04/13/87 Acreage 142.50 acres of Section 36, T.20S., R.21E. This area will be in the 3rd year of a 5 year permitting period. During the 3rd year, an amount equal to \$20.00 per acre in work must be performed, assuming that work was done during the 1983-84 work period, and that the permit is still valid. Therefore \$20.00 per acre x 143 acres = \$2,860.00 of work must be done.

Total expenditures during 1984 should amount to the following:

Federal Mining Claims	\$16,300.00
State P.P. #77664-S	6,200.00 ?
State P.P. #81908-S	2,860.00
Total work due during 1984	\$25,360.00

Should assessment work be performed for an overlapping 1984-85 assessment period, an amount of work equal to an addition of \$22,260.00 would need to be expended:

Federal mining claims	\$16,300.00
Work on reapplication of PP#77664-S due to expire 1/21/85 at \$10/acre	3,100.00
State PP #81908-S	2,860.00
Sub total for 1985 work	\$22,260.00
Total work due for 1984	25,360.00
Total work due during 1984-85	\$47,620.00

Assuming
work on
PP # 77664-S

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

STATEMENT DATE: JUNE 14, 1984
CLIENT: STEWART MINES ASSESSMENT

PROFESSIONAL FEES

STANDARD RATES WITH VOLUME DISCOUNT

WEEK ENDING	J. A. BRISCOE \$37.5/HR	T. E. WALDRIP \$37.5/HR	M. A. STEWART \$15.0/HR	TOTAL HOURS	TOTAL CHARGES	TOTAL CATEGORY CHARGES
05/11/84 HOURS*	0.00	0.00	0.00	0.00	0.00	
05/18/84 HOURS*	5.00	10.25	0.00	15.25	381.25	
05/25/84 HOURS*	5.00	16.50	5.00	26.50	612.50	
06/01/84 HOURS*	5.00	35.75	1.00	41.75	1033.75	
06/08/84 HOURS*	5.00	29.50	0.00	34.50	862.50	
	=====	=====	=====	=====	=====	
TOTAL HOURS	20.00	92.00	6.00	118.00	2890.00	
TOTAL CHARGES	750.00	3450.00	90.00		4290.00	4290.00
*JAB TIME ESTIMATED						

VEHICLE CHARGES

05/30/84 ROUND TRIP TO PHOENIX	139.00	139.00
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OFFICE EXPENSES

TOLL CALLS	7.73	
XEROXING	1.30	9.03

MISCELLANEOUS EXPENSES

05/29/84 REPRODUCTIONS, INC./MAP REPRODUCTION	95.97	
06/05/84 COOPER AERIAL/AERIAL PHOTO MOSAIC	400.00	
06/13/84 THOMAS E. WALDRIP/FTL EXPENSES	6.18	502.15
	=====	=====

AMOUNT DUE THIS BILLING

4940.18	4940.18
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TOTAL CONTRACT AMOUNT	47620.00
TOTAL THIS BILL	4940.18

BALANCE TO BE COMPLETED	42679.82

ASSESSMENT WORK PROGRAM FOR THE 1983-84-85 FEDERAL ASSESSMENT YEAR
AND STATE PROSPECTING PERMIT ASSESSMENT WORK
JABA, INC. STANDARD RATES (WITH VOLUME DISCOUNT)

ATTACHMENT 2
PAGE 1 OF 2

	3RD PARTY CONTRACTOR CHARGES	PROFESSIONAL FEES JABA, INC.	TRAVEL, FOOD, LODGING, & SUPPLIES*	CATEGORY TOTAL	CUMM. TOTAL
=====					
1983-84 ASSESSMENT YEAR - AFTER SEPTEMBER 1, 1983					

1. DETERMINATION OF EXACT LAND HELD BY JAMES STEWART CO.					
A. MASTER CLAIM LIST-UNPATENTED FEDERAL MINING CLAIMS					
B. PATENTED CLAIMS (PROPERTY)					
C. STATE PROSPECTING PERMITS					
T.E.WALDRIP 4 DAYS		1200.00			
COMPUTER ENTRY		76.00		1276.00	1276.00

2. REVIEW, ORGANIZE, COPY & BIND EXISTING DATA ON THE JAMES STEWART TOMBSTONE LAND					
T.E.WALDRIP 126 HOURS = 15.75 DAYS		4725.00			
TECHNICAL ASSISTANT 56 HOURS = 7 DAYS		490.00			
XEROX COPIES FIRST 5,000 @ \$.10 EACH		500.00			
3 ADDITIONAL COPIES @ \$.06 EA		900.00			
BINDING		200.00			
COMPUTER DATA BASE INDICIES		600.00		7415.00	8691.00

3. CONSTRUCT UPDATED GEOLOGIC & PROPERTY MAP AT 1"=500' ON USGS ENLARGED TOPOGRAPHIC BASE & USING:					
A. ROGER NEWELL'S PHD THESIS					
B. HARALD DREWES-USGS-STRUCTURE OF SE ARIZONA					
C. PLOT ALL DRILL HOLES					
D. ALL ASSAYS (SURFACE)					
E. PLOT ALL GEOPHYSICS					
TEW 10 DAYS @ \$300/DAY		3000.00		3000.00	11691.00

4. ACQUISITION OF ADDITIONAL 500 SCALE COLOR AERIAL PHOTOGRAPHY TO FILL OUT THAT ALREADY IN HAND, & CONSTRUCT PHOTO MOSAIC.	600.00			600.00	12291.00

5. PHOTOGEOLOGIC EVALUATION OF THE 500 SCALE COLOR PHOTOGRAPHY. AND PHOTOMOSAIC					
JAB 5 DAYS		1500.00		1500.00	13791.00

6. CLEAN UP AND RE-ARCHIVE ANY CORE REMAINING ON THE CHARLESTON LEAD MINE PROPERTY, WHICH CAN STILL BE PUT IN REASONABLE ORDER.					
-1 GEOLOGIST FOR 5 DAYS @ \$300/DAY		1500.00	350.00		
-2 ASSISTANTS @ \$120/DAY		600.00		2450.00	16241.00

7. RE-LOG CORE FOR ALTERATION AND MINERALIZATION CHARACTERISTICS					
-1 GEOLOGIST 10 DAYS @ \$300/DAY		3000.00	750.00		
COMPUTER REDUCTION OF DATA - 10 DAYS		1700.00		5450.00	21691.00

8. PHOTOGRAPH CORE.					
-1 GEOLOGIST FOR 5 DAYS @ \$300/DAY		1500.00	500.00		
-2 ASSISTANTS @ \$120/DAY		600.00		2600.00	24291.00

ASSESSMENT WORK PROGRAM FOR THE 1983-84-85 FEDERAL ASSESSMENT YEAR
AND STATE PROSPECTING PERMIT ASSESSMENT WORK
JABA, INC. STANDARD RATES (WITH VOLUME DISCOUNT)

ATTACHMENT 2
PAGE 2 OF 2

	3RD PARTY CONTRACTOR CHARGES	PROFESSIONAL FEES JABA, INC.	TRAVEL, FOOD, LODGING, & SUPPLIES*	CATEGORY TOTAL	CUMM. TOTAL
=====	=====	=====	=====	=====	=====
9. DRAW CROSS SECTIONS (1"=500') & RE-INTERPRET SUB-SURFACE GEOLOGY -5 DAYS @ \$300/DAY		1500.00		1500.00	25791.00
-----	-----	-----	-----	-----	-----
10. AMMEND CLAIMS, RE-MONUMENTATION IN CRITICAL AREAS, & CURE ANY DISCOVERED PROBLEMS AND TITLE DEFECTS	?	?	?	0.00	25791.00
-----	-----	-----	-----	-----	-----
11. TECHNICAL EVALUATION AND REPORT PREPARATION CONCERNING THE RESULTS OF THE ABOVE STUDIES. -J.A.BRISCOE 3 DAYS @ \$300/DAY -WORD PROCESSING COMPUTER ENTRY 3 DAYS @ \$120/DAY TAKE ACTION ON RECOMMENDATIONS IN REPORT AND PREPARE PROPOSAL FOR FURTHER WORK - 2 DAYS		900.00 360.00 600.00		1860.00	27651.00
-----	-----	-----	-----	-----	-----
12. FIELD IDENTIFICATION AND MONUMENTING OF THE TENNECO CLAIM (RAD CROW) BOUNDARY WITHIN THE CHARLESTON LEAD MINE AREA.	?	?	?	0.00	27651.00
-----	-----	-----	-----	-----	-----
13. SURFACE SAMPLING/GEOCHEM, ASSAY DRILL CORE? HG SOIL GAS?	?	?	?	0.00	27651.00
-----	-----	-----	-----	-----	-----
14. AIR TRACK DRILLING TO A DEPTH OF 100' - EXPLORATION FOR NEAR SURFACE AG & AU ORE BODIES RENT OF AIR TRACK & SAMPLE COLLECTOR FOR 1 MONTH (INCLUDES OPERATOR, FUEL & EXPENSES SHOULD DRILL 102 HOLES TO 100' DEEP AT APPROX.COST OF \$1/FOOT GEOLOGIST TO SUPERVISE AND LOG HOLES -32 DAYS @\$300/DAY TWO SAMPLERS AT \$60/DAY X 32 DAYS FOOD TRAVEL & LODGING X 3 MEN X 31 DAYS COREBOARDS @ \$10/EACH SAMPLE CONTAINERS & STORAGE BOXES @ \$.50/SAMPLE (ASSUMING A 2' SAMPLE INTERVAL) COMPUTER DEVELOPED DRILL LOGS \$120/DAY X 32 DAYS	10000.00 1020.00 2550.00	 9600.00 7680.00 3840.00	 2325.00	 37015.00	 64666.00
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15. RENTAL OF UNC SILVER MAP AND ANALYSES OF SILVER MINERALIZATION A. PROBE AIR TRACK HOLES B. PROBE EXISTING HOLES C. ASSAY MINE DUMPS & PROSPECT PIT DUMPS D. ASSAY SURFACE & UNDERGROUND OPENINGS RENTAL FOR 2 WEEKS(INCLUDING MOBE,DEMOBE &FTL) ASSUME 200 ASSAYS PER DAY	 5000.00			 5000.00	 69666.00
=====	=====	=====	=====	=====	=====
* INCLUDES STAKES, TAGS, SAMPLE BAGS, FENCE POSTS, FLAGGING, ETC.	19170.00	46571.00	3925.00	69666.00	

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James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

STATEMENT DATE: JUNE 14, 1984
CLIENT: STEWART MINES ASSESSMENT

PROFESSIONAL FEES

GEOLOGIC FEES REDUCED BY 33 1/3% TO \$25/HOUR FOR A 10% CARRIED INTEREST
THE JAMES STEWART CO. TOMBSTONE PROPERTIES

WEEK ENDING	J. A. BRISCOE \$25/HR	T. E. WALDRIP \$25/HR	M. A. STEWART \$15.0/HR	TOTAL HOURS	TOTAL CHARGES	TOTAL CATEGORY CHARGES
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05/30/84 ROUND TRIP TO PHOENIX	139.00	139.00
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MISCELLANEOUS EXPENSES

05/29/84 REPRODUCTIONS, INC./MAP REPRODUCTION	95.97	
06/05/84 COOPER AERIAL/AERIAL PHOTO MOSAIC	400.00	
06/13/84 THOMAS E. WALDRIP/FTL EXPENSES	6.18	502.15
	=====	=====
AMOUNT DUE THIS BILLING	3540.18	3540.18

TOTAL CONTRACT AMOUNT	47620.00
TOTAL THIS BILL	3540.18

BALANCE TO BE COMPLETED	44079.82

ASSESSMENT WORK PROGRAM FOR THE 1983-84-85 FEDERAL ASSESSMENT YEAR
AND STATE PROSPECTING PERMIT ASSESSMENT WORK
JABA, INC. GEOLOGIC FEES REDUCED 33 1/3% FROM \$37.50/HOUR TO
\$25/HOUR FOR A 10% CARRIED INTEREST IN THE
JAMES STEWART CO. TOMBSTONE PROPERTIES

ATTACHMENT 2
PAGE 1 OF 2

	3RD PARTY CONTRACTOR CHARGES	PROFESSIONAL FEES JABA, INC.	TRAVEL, FOOD, LODGING, & SUPPLIES*	CATEGORY TOTAL	CUMM. TOTAL
=====					
1983-84 ASSESSMENT YEAR - AFTER SEPTEMBER 1, 1983					
1. DETERMINATION OF EXACT LAND HELD BY JAMES STEWART CO.					
A. MASTER CLAIM LIST-UNPATENTED FEDERAL MINING CLAIMS					
B. PATENTED CLAIMS (PROPERTY)					
C. STATE PROSPECTING PERMITS					
T.E.WALDRIP 4 DAYS		800.00			
COMPUTER ENTRY		76.00		876.00	876.00

2. REVIEW, ORGANIZE, COPY & BIND EXISTING DATA ON THE JAMES STEWART TOMBSTONE LAND					
T.E.WALDRIP 126 HOURS = 15.75 DAYS		3150.00			
TECHNICAL ASSISTANT 56 HOURS = 7 DAYS		490.00			
XEROX COPIES FIRST 5,000 @ \$.10 EACH		500.00			
3 ADDITIONAL COPIES @ \$.06 EA =		900.00			
BINDING		200.00			
COMPUTER DATA BASE INDICIES		600.00		5840.00	6716.00

3. CONSTRUCT UPDATED GEOLOGIC & PROPERTY MAP AT 1"=500' ON USGS ENLARGED TOPOGRAPHIC BASE & USING:					
A. ROGER NEWELL'S PHD THESIS					
B. HARALD DREWES-USGS-STRUCTURE OF SE ARIZONA					
C. PLOT ALL DRILL HOLES					
D. ALL ASSAYS (SURFACE)					
E. PLOT ALL GEOPHYSICS					
TEW 10 DAYS @ \$200/DAY		2000.00		2000.00	8716.00

4. ACQUISITION OF ADDITIONAL 500 SCALE COLOR AERIAL PHOTOGRAPHY TO FILL OUT THAT ALREADY IN HAND, & CONSTRUCT PHOTO MOSAIC.					
	600.00			600.00	9316.00

5. PHOTOGEOLOGIC EVALUATION OF THE 500 SCALE COLOR PHOTOGRAPHY. AND PHOTOMOSAIC					
JAB 5 DAYS		1000.00		1000.00	10316.00

6. CLEAN UP AND RE-ARCHIVE ANY CORE REMAINING ON THE CHARLESTON LEAD MINE PROPERTY, WHICH CAN STILL BE PUT IN REASONABLE ORDER.					
-1 GEOLOGIST FOR 5 DAYS @ \$200/DAY		1000.00	350.00		
-2 ASSISTANTS @ \$120/DAY		600.00		1950.00	12266.00

7. RE-LOG CORE FOR ALTERATION AND MINERALIZATION CHARACTERISTICS					
-1 GEOLOGIST 10 DAYS @ \$200/DAY		2000.00	750.00		
COMPUTER REDUCTION OF DATA - 10 DAYS		1700.00		4450.00	16716.00

8. PHOTOGRAPH CORE.					
-1 GEOLOGIST FOR 5 DAYS @ \$200/DAY		1000.00	500.00		
-2 ASSISTANTS @ \$120/DAY		600.00		2100.00	18816.00

ASSESSMENT WORK PROGRAM FOR THE 1983-84-85 FEDERAL ASSESSMENT YEAR
AND STATE PROSPECTING PERMIT ASSESSMENT WORK
JABA, INC. GEOLOGIC FEES REDUCED 33 1/3% FROM \$37.50/HOUR TO
\$25/HOUR FOR A 10% CARRIED INTEREST IN THE
JAMES STEWART CO. TOMBSTONE PROPERTIES

ATTACHMENT 2
PAGE 2 OF 2

	3RD PARTY CONTRACTOR CHARGES	PROFESSIONAL FEES JABA, INC.	TRAVEL, FOOD, LODGING, & SUPPLIES*	CATEGORY TOTAL	CUMM. TOTAL
9. DRAW CROSS SECTIONS (1"=500') & RE-INTERPRET SUB-SURFACE GEOLOGY -5 DAYS @ \$200/DAY		1000.00		1000.00	19816.00
10. AMMEND CLAIMS, RE-MONUMENTATION IN CRITICAL AREAS, & CURE ANY DISCOVERED PROBLEMS AND TITLE DEFECTS	?	?	?	0.00	19816.00
11. TECHNICAL EVALUATION AND REPORT PREPARATION CONCERNING THE RESULTS OF THE ABOVE STUDIES. -J.A.BRISCOE 3 DAYS @ \$200/DAY -WORD PROCESSING COMPUTER ENTRY 3 DAYS @ \$120/DAY TAKE ACTION ON RECOMMENDATIONS IN REPORT AND PREPARE PROPOSAL FOR FURTHER WORK - 2 DAYS		900.00 360.00 300.00		1560.00	21376.00
12. FIELD IDENTIFICATION AND MONUMENTING OF THE TENNECO CLAIM (RAD CROW) BOUNDARY WITHIN THE CHARLESTON LEAD MINE AREA.	?	?	?	0.00	21376.00
13. SURFACE SAMPLING/GEOCHEM, ASSAY DRILL CORE? HG SOIL GAS?	?	?	?	0.00	21376.00
14. AIR TRACK DRILLING TO A DEPTH OF 100' - EXPLORATION FOR NEAR SURFACE AG & AU ORE BODIES RENT OF AIR TRACK & SAMPLE COLLECTOR FOR 1 MONTH (INCLUDES OPERATOR, FUEL & EXPENSES SHOULD DRILL 102 HOLES TO 100' DEEP AT APPROX.COST OF \$1/FOOT GEOLOGIST TO SUPERVISE AND LOG HOLES -32 DAYS @\$200/DAY TWO SAMPLERS AT \$60/DAY X 32 DAYS FOOD TRAVEL & LODGING X 3 MEN X 31 DAYS COREBOARDS @ \$10/EACH SAMPLE CONTAINERS & STORAGE BOXES @ \$.50/SAMPLE (ASSUMING A 2' SAMPLE INTERVAL) COMPUTER DEVELOPED DRILL LOGS \$120/DAY X 32 DAYS	10000.00 1020.00 2550.00	 6400.00 7680.00 3840.00	 2325.00	 33815.00	 55191.00
15. RENTAL OF UNC SILVER MAP AND ANALYSES OF SILVER MINERALIZATION A. PROBE AIR TRACK HOLES B. PROBE EXISTING HOLES C. ASSAY MINE DUMPS & PROSPECT PIT DUMPS D. ASSAY SURFACE & UNDERGROUND OPENINGS RENTAL FOR 2 WEEKS(INCLUDING MOBE,DEMOBE &FTL) ASSUME 200 ASSAYS PER DAY	 5000.00			5000.00	60191.00
* INCLUDES STAKES, TAGS, SAMPLE BAGS, FENCE POSTS, FLAGGING, ETC.	19170.00	37096.00	3925.00	60191.00	

ASSESSMENT WORK PROGRAM FOR THE 1983-84-85 FEDERAL ASSESSMENT YEAR
AND STATE PROSPECTING PERMIT ASSESSMENT WORK
JABA, INC. GEOLOGIC FEES REDUCED 33 1/3% FROM \$37.50/HOUR TO
\$25/HOUR FOR A 10% CARRIED INTEREST IN THE
JAMES STEWART CO. TOMBSTONE PROPERTIES

ATTACHMENT 2B
PAGE 1 OF 2

	3RD PARTY CONTRACTOR CHARGES	PROFESSIONAL FEES JABA, INC.	TRAVEL, FOOD, LODGING, & SUPPLIES*	CATEGORY TOTAL	CUMM. TOTAL
=====					
1983-84 ASSESSMENT YEAR - AFTER SEPTEMBER 1, 1983					

1. DETERMINATION OF EXACT LAND HELD BY JAMES STEWART CO.					
A. MASTER CLAIM LIST-UNPATENTED FEDERAL MINING CLAIMS					
B. PATENTED CLAIMS (PROPERTY)					
C. STATE PROSPECTING PERMITS					
T.E.WALDRIP 4 DAYS		800.00			
COMPUTER ENTRY		76.00		876.00	876.00

2. REVIEW, ORGANIZE, COPY & BIND EXISTING DATA ON THE JAMES STEWART TOMBSTONE LAND					
T.E.WALDRIP 126 HOURS = 15.75 DAYS		3150.00			
TECHNICAL ASSISTANT 56 HOURS = 7 DAYS		490.00			
XEROX COPIES FIRST 5,000 @ \$.10 EACH		500.00			
3 ADDITIONAL COPIES @ \$.06 EA =		900.00			
BINDING		200.00			
COMPUTER DATA BASE INDICIES		600.00		5840.00	6716.00

3. CONSTRUCT UPDATED GEOLOGIC & PROPERTY MAP AT 1"=500' ON USGS ENLARGED TOPOGRAPHIC BASE & USING:					
A. ROGER NEWELL'S PHD THESIS					
B. HARALD DREWES-USGS-STRUCTURE OF SE ARIZONA					
C. PLOT ALL DRILL HOLES					
D. ALL ASSAYS (SURFACE)					
E. PLOT ALL GEOPHYSICS					
TEW 10 DAYS @ \$200/DAY		2000.00		2000.00	8716.00

4. ACQUISITION OF ADDITIONAL 500 SCALE COLOR AERIAL PHOTOGRAPHY TO FILL OUT THAT ALREADY IN HAND, & CONSTRUCT PHOTO MOSAIC.		600.00		600.00	9316.00

5. PHOTOGEOLOGIC EVALUATION OF THE 500 SCALE COLOR PHOTOGRAPHY. AND PHOTOMOSAIC					
JAB 5 DAYS		1000.00		1000.00	10316.00

6. CLEAN UP AND RE-ARCHIVE ANY CORE REMAINING ON THE CHARLESTON LEAD MINE PROPERTY, WHICH CAN STILL BE PUT IN REASONABLE ORDER.					
-1 GEOLOGIST FOR 5 DAYS @ \$200/DAY		1000.00	350.00		
-2 ASSISTANTS @ \$120/DAY		600.00		1950.00	12266.00

7. RE-LOG CORE FOR ALTERATION AND MINERALIZATION CHARACTERISTICS					
-1 GEOLOGIST 10 DAYS @ \$200/DAY		2000.00	750.00		
COMPUTER REDUCTION OF DATA - 10 DAYS		1700.00		4450.00	16716.00

8. PHOTOGRAPH CORE.					
-1 GEOLOGIST FOR 5 DAYS @ \$200/DAY		1000.00	500.00		
-2 ASSISTANTS @ \$120/DAY		600.00		2100.00	18816.00

COMPLETED

3/4 COMPLETED

STARTED

START WEEK OF JULY 1

WEEK OF JULY 8

WEEK OF JULY 15 OR 22

ASSESSMENT WORK PROGRAM FOR THE 1983-84-85 FEDERAL ASSESSMENT YEAR
AND STATE PROSPECTING PERMIT ASSESSMENT WORK
JABA, INC. GEOLOGIC FEES REDUCED 33 1/3% FROM \$37.50/HOUR TO
\$25/HOUR FOR A 10% CARRIED INTEREST IN THE
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ATTACHMENT 2B
PAGE 2 OF 2

	3RD PARTY CONTRACTOR CHARGES	PROFESSIONAL FEES JABA, INC.	TRAVEL, FOOD, LODGING, & SUPPLIES*	CATEGORY TOTAL	CUMM. TOTAL
=====					
9. DRAW CROSS SECTIONS (1"=500') & RE-INTERPRET SUB-SURFACE GEOLOGY -5 DAYS @ \$200/DAY		1000.00		1000.00	19816.00
10. AMMEND CLAIMS, RE-MONUMENTATION IN CRITICAL AREAS, & CURE ANY DISCOVERED PROBLEMS AND TITLE DEFECTS	?	?	?	0.00	19816.00

11. TECHNICAL EVALUATION AND REPORT PREPARATION CONCERNING THE RESULTS OF THE ABOVE STUDIES.					
-J.A.BRISCOE 3 DAYS @ \$200/DAY		900.00			
-WORD PROCESSING COMPUTER ENTRY 3 DAYS @ \$120/DAY		360.00			
TAKE ACTION ON RECOMMENDATIONS IN REPORT AND PREPARE PROPOSAL FOR FURTHER WORK - 2 DAYS		300.00		1560.00	21376.00

12. FIELD IDENTIFICATION AND MONUMENTING OF THE TENNECO CLAIM (RAD CROW) BOUNDARY WITHIN THE CHARLESTON LEAD MINE AREA.	?	?	?	0.00	21376.00

13. SURFACE SAMPLING/GEOCHEM, ASSAY DRILL CORE? HG SOIL GAS?	?	?	?	0.00	21376.00

14. AIR TRACK DRILLING TO A DEPTH OF 100' - EXPLORATION FOR NEAR SURFACE AG & AU ORE BODIES					
RENT OF AIR TRACK & SAMPLE COLLECTOR FOR 1 MONTH (INCLUDES OPERATOR, FUEL & EXPENSES	10000.00				
SHOULD DRILL 102 HOLES TO 100' DEEP AT APPROX.COST OF \$1/FOOT					
GEOLOGIST TO SUPERVISE AND LOG HOLES -32 DAYS @\$200/DAY		6400.00			
TWO SAMPLERS AT \$60/DAY X 32 DAYS		7680.00			
FOOD TRAVEL & LODGING X 3 MEN X 31 DAYS			2325.00		
COREBOARDS @ \$10/EACH	1020.00				
SAMPLE CONTAINERS & STORAGE BOXES @ \$.50/SAMPLE	2550.00				
(ASSUMING A 2' SAMPLE INTERVAL)					
COMPUTER DEVELOPED DRILL LOGS \$120/DAY X 32 DAYS		3840.00		33815.00	55191.00

15. RENTAL OF UNC SILVER MAP AND ANALYSES OF SILVER MINERALIZATION					
A. PROBE AIR TRACK HOLES					
B. PROBE EXISTING HOLES					
C. ASSAY MINE DUMPS & PROSPECT PIT DUMPS					
D. ASSAY SURFACE & UNDERGROUND OPENINGS					
RENTAL FOR 2 WEEKS(INCLUDING MOBE,DEMOBE &FTL)	5000.00				
ASSUME 200 ASSAYS PER DAY				5000.00	60191.00
=====					
* INCLUDES STAKES, TAGS, SAMPLE BAGS, FENCE POSTS, FLAGGING, ETC.	19170.00	37096.00	3925.00	60191.00	

START WEEK OF
JULY 29

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

June 26, 1984

Seth Horne, President
James Stewart Company
3033 N. Central Avenue
Phoenix, AZ 85012

RE: Reduction in technical fees for a carried net profits
interest in the James Stewart Company Tombstone Project

Dear Mr. Horne:

Some weeks back, I mentioned to Steve Halbert that we were very enthusiastic about the James Stewart Company ground at Tombstone, and would be willing to reduce our fees in exchange for a carried net profits interest in the project. He requested that I make a proposal for your consideration. Please consider this letter as that proposal for a fee reduction agreement in exchange for participation.

We would lower our professional fees by 33 1/3% from \$37.50 per hour or \$300 per day to \$25 per hour or \$200 per day, for a 10% carried net profits interest in the project if:

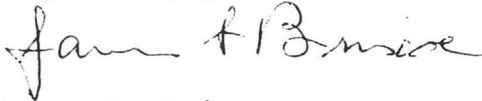
1. Title defects or problems with the title can be and are cured, and
2. The two year assessment work program recommended in my letter/progress report in the amount of \$47,620. is completely carried out by us, under the general assessment work proposal.

Assuming this would be agreeable to you, I have submitted two bills, and two cost estimates under our assessment work plan. The first bill is for our standard fees with volume discount, at a cost basis of \$300 per day. The second is for the 1/3 reduction to \$200 per day. If you should like some time to consider this proposal, please reimburse us for our undiscounted fee bill. If you then decide within the next 30 days to take advantage of this proposal, we will simply credit the James Stewart Company account for the difference.

Seth Horne
June 26, 1984
Page 2 of 2

At that point, we can execute a formal agreement for such participation. In the interim, your signature on this letter, and payment of our bill with Professional Fees reduced by 1/3 to \$200/day, indicates agreement to our fee reduction and 10% participation proposal.

Very truly yours,



James A. Briscoe

JAB/ms

Seth Horne, President
James Stewart Company

Date

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

July 10, 1984

Bill Hight, President
Lavern Baxter
Tombstone Development Co.
P. O. Box 1445
Grand Island, NE 68801

RE: 1. Favorable evaluation of the Western States Mining joint venture proposal of June 19, 1984
2. Twenty thousand one hundred dollar assessment work requirement and proposal

Dear Bill & Lavern:

Tom Waldrip and I have each spent approximately four hours, separately, evaluating the Western States venture, then approximately three hours together, and then another hour on the telephone with Al Cerney, their landman, who is handling the initial part of the negotiations.

As a general statement, we were both favorably impressed. For a first draft, the contract appears to be well written, very thorough, and is as clear as these things generally are. We feel that under the current circumstances, the deal is generous. Even if Tombstone Development Company did not put in any additional money after the \$2 million, which would be loaned to it by Western States Mining, you would continue to retain a 16% interest even if Western States put in an additional \$10 million, bringing the total cash expenditure to \$14.4 million (see Attachment 1). Considering that the proposed loan to Tombstone Development is a high risk one, four points over prime, is certainly more than fair. Further, there are generous provisions for Tombstone Development to earn back into a development block after having been diluted, should discoveries be proven. In negotiations I have had with Newmont in past years, they are adamantly opposed to any sort of a "back in" arrangement.

There is still more of the contract to come, and when it arrives it may clear up some of the apparent loose ends. Most of these are of form rather than substance. However, two points of importance remain to be resolved. These are:

1. Clarifying the language on the loan to Tombstone Development to be sure that it is a "no recourse loan", recoupable only by the Tombstone Development unpatented claims.
2. Making the Tombstone Development patented claims a special situation in relation to the declaration of a development block. I will go into detail on this below.

Further, there is no provisions to finalize this years remaining assessment work.

GENERAL OUTLINE OF HIGH POINTS OF THE AGREEMENT

- I. Western States will spend \$400,000 to earn 50% in all of the Tombstone Development unpatented federal mining claims and state lands (excepting the mining claims currently leased to TEI/Austin). This will be done by:
 - A. A payment of \$25,000 cash to Tombstone Development.
 1. \$5,000 on signing.
 2. \$20,000 within 120 days upon satisfactory title exam.
 - B. \$375,000 in work on the claims within a two year period from signing.
- II. Western States will loan to Tombstone Development \$2 million for their share of any exploration or development programs for a total program cash expenditure of \$4.4 million. Interest will be prime plus 4%. Beyond this point, Tombstone Development will have to provide its own funding or take dilution.

III. There is a dilution formula which is as follows:

$$\text{TDC interest} = \frac{\text{TDC contributions (including property)}}{\text{TDC contributions + WSM contributions}}$$

Example:

TDC ownership after WMS spends \$400,000 to earn its share:

$$\begin{array}{rcl} & \text{(Property)} & \\ & 400,000 & \\ = & \frac{\text{-----}}{\$400,000 + \$400,000} & = \frac{\$400,000}{\$800,000} = 50\% \\ & \text{(Property) + (cash \& work)} & \end{array}$$

Another example:

After \$4.8 mm program + \$10 mm put up by WSM:

TDC interest =

$$\begin{array}{rcl} & \text{(Property + \$2 mm loan from WSM)} & \\ & \$2,400,000 & \\ \text{-----} & & \$ 2,400,000 \\ (\$2,400,000) + (\$2,400,000 + \$10,000,000) & = & \text{-----} = 16.2\% \\ \text{(TDC)} & \text{(WSM)} & \$14,800,000 \end{array}$$

This means that Western States could spend \$10 million above the total exploration/development expenditures of \$4.8 million (two million of which Western States would be loaning to Tombstone Development), and Tombstone Development would still have a 16% interest in the total project. (See Attachment 1, a chart showing Tombstone Development dilution in \$1 million increments).

NEGATIVE FACTORS

- I. It is not clear that the \$2 million amount that Western States is obligated to loan to Tombstone Development, is secured only by the unpatented mining claims.
- II. It is possible to paint a scenario in which Tombstone Development might take an unfair dilution on their patented claim holdings, the way the contract is now written. Under the current contract, there are two ways that the Tombstone Development/Western States joint venture could obtain a lease on the mining claims currently under lease to Tombstone Exploration/Austin Mining. These are:
 - A. An arms length transaction whereby the joint venture would work out a sublease with Tombstone Exploration/Austin Mining. In this case, royalties would still be paid to Tombstone Development through the Tombstone Exploration/Austin Mining lease, but Tombstone Development would also own a percentage of the sublease as a part owner in the joint venture.

- B. A direct lease with Tombstone Development if the Tombstone Exploration/Austin Mining lease were to be dropped.

It is in the event of possibility B that we think some changes in the contract should be made. Consider the following:

If Western States were to continue to do exploration and development, without enough profit being made to provide internal funding to put back into the project, which would in part pay Tombstone Development's contribution, it is conceivable that Tombstone Development would be diluted to something less than 50% interest in the joint venture. If the Tombstone Exploration/Austin Mining lease were then dropped, by the terms of the contract (the way that it is currently written) the Tombstone Development patented claims would then become part of the joint venture at the then current ownership percentage by the two partners. For example, the ownership ratios could be Western States 80%, Tombstone Development 20%. In this case, the partnership would acquire the mineral lease on the Tombstone Development patented claims, and the ownership ratio would be the same i.e., Western States 80% and Tombstone Development 20%. Obviously, this is an unpalatable situation for Tombstone Development to accept.

To prevent this scenario from occurring, I have proposed that the Tombstone Development patented claims (and other claims of the TEI/Austin lease) be a special situation. They would be treated as follows:

1. If the current lease were terminated, the TEI/Austin lease block would be immediately declared a development block.
2. Ownership of a lease on the mineral rights to the development block would be 50%-50% between Western States and Tombstone Development.
3. The capital contribution of Tombstone Development for the fair market value of the mineral rights to the lease would be appraised at \$5 million in constant 1984 dollars.
4. No call for funds from Tombstone Development would be made by Western States until they had put in \$5 million in behalf of Tombstone Development towards developing the special development block.

5. After the total expenditure of \$10 million, (\$5 million by Western States and \$5 million on behalf of Tombstone Development from Western States in recognition of their contribution of the property which was valued at \$5 million), calls could then be made on Tombstone Development for their 50% ownership position in the mineral lease. If for some reason Tombstone Development chose not to contribute, they would suffer dilution using the same formula as would apply to the original joint venture.

I have proposed this to Al Cerney, and he is to consult with Buck Morrow and their lawyers and get back with me.

REMAINING ASSESSMENT WORK FOR THE 1983-84 ASSESSMENT YEAR

We must perform approximately \$20,100 in assessment work prior to September 1. This work must begin now, since there will be insufficient time for completion if it is postponed any longer. Attachment 2 details my calculations showing work performed to date and work yet to be done.

The proposed contract with Western States calls for various data to be turned over and various things to be done. I would propose that we complete these requirements as part of this years assessment work rather than incur additional expense after September 1. My proposed work plan is as follows:

PROPOSED WORK FOR COMPLETION OF ASSESSMENT FOR THE YEAR 1983-84

1. Review and negotiation of contract with Western States Mining.
2. Organization, cataloging and reproduction of all data pertaining to Tombstone so a copy maybe turned over to Western States as per the joint venture contract.
3. Photo interpretative alteration and structure mapping of color photo mosaic.
4. Design and cost estimate of a proposed exploration plan for the Area of Mutual Interest (AMI) to be presented at the first management committee meeting with Western States as called for in the contract.
5. Contouring of magnetic data from last year's assessment work.

Tombstone Development Company
July 10, 1984
Page 6 of 6

6. Possible drilling and assay work after completion of above, if funds remain.

We have already started on some of the above. I would like to continue with the remainder immediately so that we have some chance of completing it prior to the end of the assessment year.

Very truly yours,



James A. Briscoe

JAB/ms

Enclosures

ASSESSMENT WORK FOR THE 1983-84 ASSESSMENT YEAR

COMPLETED TO DATE:

Total JABA, Inc. fees (at 50% reduction for 10% interest) and expenses	\$25,532.97
Total State of Maine trenching	5,379.28
Total drilling labor	564.33
Total fence construction	973.64

Total cash expenditure to date by TDC for 1983-84 assessment work	\$32,450.22

RECALCULATED TO NORMAL PROFESSIONAL FEES:

Total professional fees @ \$500/day	\$50,002.18
Total other JABA, Inc. expenses	5,532.17

	\$55,534.35
State of Maine trenching	\$ 5,379.28
Drilling	564.33
Fence	973.64

	\$ 6,917.25

Total completed assessment work to date:	\$62,451.60

Total required assessment work:

State	\$26,450.00
Federal	56,100.00

	\$82,550.00
- 62,451.60 already completed	

	\$20,048.40 remaining cash requirement

References:

JAB budget proposal of December 15, 1983
 TEW summary of work required for state and federal lands,
 January 23, 1984

TDC PAYMENTS FROM SEPTEMBER, 1983 TO PRESENT
DATE OF PRINTING: JULY 10, 1984

ATTACHMENT 2, PAGE 2

DATE	CHECK #	PAID TO	PAID FOR	SUB TOTAL	TOTAL
10/07/83	1516	J.A.BRISCOE & ASSOC., INC.	LONG DISTANCE	46.21	
			XEROXING	60.50	
			POSTAGE	6.00	112.71
11/07/83	1517	J.A.BRISCOE & ASSOC., INC.	LONG DISTANCE	31.08	
			POSTAGE	9.60	
			XEROXING	44.85	85.53
12/01/83	1520	J.A.BRISCOE & ASSOC., INC.	LONG DISTANCE	50.07	
			XEROXING	38.70	
			POSTAGE	20.00	108.77
12/22/83	1521	U. S. POSTMASTER	POSTAGE	3.44	3.44
01/03/84	1522	J.A.BRISCOE & ASSOC., INC.	PROFESSIONAL FEES	2467.50	
			VEHICLE RENTAL	304.50	
			LONG DISTANCE	50.00	
			XEROXING	40.00	
			POSTAGE	20.00	2882.00
02/10/84	1523	J.A.BRISCOE & ASSOC., INC.	PROFESSIONAL FEES	5981.25	
			VEHICLE RENTAL	862.56	
			LONG DISTANCE	72.16	
			XEROXING	7.55	
			POSTAGE	20.00	
			DRAFTING SUPPLIES	58.57	
			FIELD SUPPLIES	466.25	
			CONTRACT LABOR	194.60	7662.94
03/07/84	1526	J.A.BRISCOE & ASSOC., INC.	PROFESSIONAL FEES	4069.87	
			VEHICLE RENTAL	518.00	
			POSTAGE	32.96	
			LONG DISTANCE	144.00	
			XEROXING	89.80	
			CONTRACT LABOR	3.50	
			OFFICE SUPPLIES	1.25	
			DRAFTING SUPPLIES	17.28	
			TECHNICAL REPORTS	21.75	
			FIELD SUPPLIES	54.71	4953.12
04/02/84	1531	J.A.BRISCOE & ASSOC., INC.	PROFESSIONAL FEES	2873.75	
			VEHICLE RENTAL	126.25	3000.00
04/11/84	1533	J.A.BRISCOE & ASSOC., INC.	VEHICLE RENTAL	599.43	
			POSTAGE	20.00	
			LONG DISTANCE	135.06	
			XEROXING	240.75	
			OFFICE SUPPLIES	1.07	996.31
06/05/84	1537	J.A.BRISCOE & ASSOC., INC.	PROFESSIONAL FEES	4608.50	
			VEHICLE RENTAL	365.50	
			POSTAGE	20.00	
			LONG DISTANCE	123.10	
			XEROXING	131.15	
			FIELD SUPPLIES	39.90	
			CONTRACT LABOR	440.00	5728.15

25532.97 25532.97

STATE OF MAINE TRENCHING
L.J. EBERLE DRILLING
FENCE CONSTRUCTION

5379.28
564.33
973.64 6917.25

32450.22 32450.22

TOTAL PROFESSIONAL FEES	20000.87
TOTAL LONG DISTANCE	651.68
TOTAL POSTAGE	152.00
TOTAL XEROXING	653.30
TOTAL VEHICLE RENTAL	2776.24
TOTAL DRAFTING SUPPLIES	75.85
TOTAL FIELD SUPPLIES	560.86
TOTAL CONTRACT LABOR	638.10
TOTAL OFFICE SUPPLIES	2.32
TOTAL TECHNICAL REPORTS	21.75

=====

TOTAL TRENCHING	25532.97
TOTAL DRILLING	5379.28
TOTAL FENCE	564.33
	973.64
	=====
	32450.22

NOTE: THESE FIGURES DO NOT INCLUDE
STATE LAND FEES OR LEGAL FEES
WHICH CANNOT BE APPLIED TO
ASSESSMENT WORK.

James A. Briscoe & Associates, Inc.
Tucson, Arizona

CHART SHOWING EFFECT OF WSM CONTRIBUTIONS AND TDC
DILUTION TO 10% CARRIED INTEREST

TDC INTEREST =		TDC CONTRIBUTIONS (INCLUDING PROPERTY) ----- TDC CONTRIBUTIONS + WSM CONTRIBUTIONS	
WSM EARNS 50% INTEREST -	400000 ----- 800000	=	50.00%
TDC BORROWS \$2 MM FOR TOTAL PROGRAM CASH EXPENDITURE OF \$4.4 MILLION	2400000 ----- 4800000	=	50.00%
WSM SPENDS \$1 MM EXTRA AND TDC TAKES DILUTION	2400000 ----- 5800000	=	41.38%
WSM SPENDS \$2 MM EXTRA	2400000 ----- 6800000	=	35.29%
WSM SPENDS \$3 MM EXTRA	2400000 ----- 7800000	=	30.77%
WSM SPENDS \$4 MM EXTRA	2400000 ----- 8800000	=	27.27%
WSM SPENDS \$5 MM EXTRA	2400000 ----- 9800000	=	24.49%
WSM SPENDS \$6 MM EXTRA	2400000 ----- 10800000	=	22.22%
WSM SPENDS \$7 MM EXTRA	2400000 ----- 11800000	=	20.34%
WSM SPENDS \$8 MM EXTRA	2400000 ----- 12800000	=	18.75%
WSM SPENDS \$9 MM EXTRA	2400000 ----- 13800000	=	17.39%
WSM SPENDS \$10 MM EXTRA	2400000 ----- 14800000	=	16.22%

CHART SHOWING EFFECT OF WSM CONTRIBUTIONS AND TDC
DILUTION TO 10% CARRIED INTEREST

WSM SPENDS \$11 MM EXTRA	2400000	=	15.19%
	15800000		
WSM SPENDS \$12 MM EXTRA	2400000	=	14.29%
	16800000		
WSM SPENDS \$13 MM EXTRA	2400000	=	13.48%
	17800000		
WSM SPENDS \$14 MM EXTRA	2400000	=	12.77%
	18800000		
WSM SPENDS \$15 MM EXTRA	2400000	=	12.12%
	19800000		
WSM SPENDS \$16 MM EXTRA	2400000	=	11.54%
	20800000		
WSM SPENDS \$17 MM EXTRA	2400000	=	11.01%
	21800000		
WSM SPENDS \$18 MM EXTRA	2400000	=	10.53%
	22800000		
WSM SPENDS \$19 MM EXTRA	2400000	=	10.08%
	23800000		

JAMES STEWART COMPANY

REAL ESTATE INVESTMENTS AND DEVELOPMENT

707 MAYER CENTRAL BUILDING

3033 NORTH CENTRAL AVENUE • PHOENIX, ARIZONA 85012
602-264-2181

July 16, 1984

Mr. James A. Briscoe
James A. Briscoe & Associates, Inc.
5701 East Glenn Street - Suite 120
Tucson, Arizona 85712

Dear Jim:

I am sorry for the delay in responding to your progress report of June 26. Enclosed please find our check in the amount of \$4,940.18 for payment on account.

There are several points I need to make. First, our files should be returned in the very near future. Second, Seth only wants to proceed on the 1983-84 assessment work at this time. Third, Bill Grace pays the assessment work on his eight leased claims. Thus, the total expenditure needed is \$24,560.

Concerning the title/location defects, Seth recommends you contact Clarence Cosgrove who did the work for us years ago and is a meticulous individual like you. Once you determine which claims are in question, please contact him at 1021 Scenic Way, Ventura, California 93003. His phone number is (805) 654-8044.

Your attachment 1 does not indicate which claims and permits are owned by Seth and which are owned by James Stewart Company. Please clarify and let us know.

Seth appreciates your offer to reduce your fees, but prefers the simplicity of single ownership and control.


We appreciate your thoroughness and look forward to your continuing progress reports. If you are concerned by any of the above, feel free to contact me.

REVIEWED

JUL 18 1984

By 

Cordially,


Steven M. Halbert
Assistant to M. S. Horne

SMH:ef
Encl.

TNC

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

HAND DELIVERED

August 10, 1984

William E. Dolph, Esq.
Bilby, Shoenhair, Warnock & Dolph, P.C.
Valley National Bank Building
Tucson, Arizona

RE: Tombstone Development Company - Joint Venture proposal from
Western States Minerals Corporation

Dear Mr. Dolph:

Per the request of Mr. William Hight, President, Tombstone Development Company, enclosed please find a copy of The Walnut Creek Joint Venture, Exploration Agreement between Tombstone Development Company, Inc. and Western States Minerals Corporation. Also enclosed is a copy of Mr. Arden B. Morrow's letter of intent of April 16, 1984.

Tom Waldrip of our office is currently preparing an outline of questions and/or comments/suggestions after having reviewed the contract. He hopes to get those down to your offices no later than Monday, August 13, to review with you.

Should you have any questions, please call either myself at the number on this letterhead, or Tom Waldrip at 326-7237.

Thank you for your time and attention.

Sincerely,


Mardee A. Stewart

/ms

Enclosure

Western States Minerals Corporation

4975 Van Gordon Street
Wheat Ridge, Colorado 80033
(303) 425-7042

October 4, 1984

Mr. Jim Briscoe
JAMES A. BRISCOE & ASSOCIATES, INC.
5701 East Glenn St., Suite 120
Tucson, Arizona 85712

Re: Walnut Creek JV

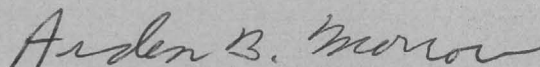
Dear Jim:

Please be advised that Western States Minerals Corporation is no longer interested in acquiring a position in the Walnut Creek Property on a joint venture basis. We are therefore terminating negotiations of our proposed joint venture agreement.

If you wish to submit a proposal on a mining lease type of arrangement on the Walnut Creek Property with a chance to lease the TDC patented claim package at reasonable terms if it becomes available, we will consider it. The proposal discussed with Al Cerny by telephone on October 1 was not acceptable.

Very truly yours,

WESTERN STATES MINERALS CORPORATION



Arden B. Morrow
President

ABM:iw

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED #P498 523 923

October 8, 1984

Cochise County Recorder's Office
P. O. Box 184
Bisbee, Arizona 85603

RE: Filing and Request for Recording 1984 Annual Assessment documentation for the T.S., T.S.A., Apache, Horne, Jared, Stewart, and Suiter lode mining claim groups, Tombstone Mining District, and the S.H.M. lode mining claim group, Swisshelm Mining District, Cochise County, Arizona

Dear County Official:

Please find enclosed the following document to be recorded in your county:

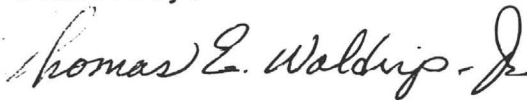
1. Proof of Annual Labor document of the T.S. Group of lode mining claims, owned by Tombstone Development Co. consisting of 15 pages.
2. Letter of Intent to Hold for the T.S.A. Group of lode mining claims, owned by Tombstone Development Co., consisting of 4 pages.
3. Proof of Annual Labor document of the combined Apache, Horne, Jared, Stewart and Suiter lode mining claim groups, owned by James Stewart Company, consisting of 8 pages (please note the Suiter Group consists of individually named claims).
4. Proof of Annual Labor document for the S.H.M. Group of lode mining claims, owned by James A. Briscoe & Associates, Inc., consisting of 4 pages.

Cochise County Recorder's Office
October 8, 1984
Page 2 of 2

A James A. Briscoe & Associate, Inc. check, #2780 in the amount of \$33.00 has been included to cover recording fees. After recording, please return all documents in the stamped self addressed envelope provided.

Thank you.

Sincerely,

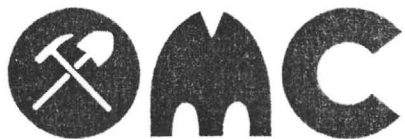


Thomas E. Waldrip, Jr.

TEW/ms

Enclosures: T.S. Proof
T.S.A. Letter
Apache, Horne, Jared, Stewart & Suiter Proof
S.H.M. Proof
JABA CK #2780
S.A.S.E.

James A. Briscoe & Associates, Inc.
Tucson, Arizona



OCELOT MINING CORP.

900, 333 - 5th Avenue S.W. / Calgary, Alberta / T2P 3B6 (403) ~~261-2000~~ 261-2174

October 17, 1984

Mr. James A. Briscoe
5701 E. Glenn St. #120
Tucson, Arizona
U.S.A. 85712

Dear Mr. Briscoe:

It was a pleasure talking with you on the phone this morning and further to our discussion, I am enclosing a 1984 Annual Report which should provide you with some information on our company.

I regret that we are too late in showing interest in the Pyramid Project, San Emidio, Washoe County, however should Santa Fe default or drop its option, we would be keen to hear from you.

Should we be in a position to fly in to Tuscon in the near future, I would welcome an opportunity to meet with you to discuss the opportunities you described on the phone. In the meantime, if you have available a short description of your projects, I would very much appreciate reading about them if you would kindly put the information in the mail.

I look forward to hearing from you in the near future.

Yours very truly,

OCELOT MINING CORP.

J.E. Gunton
Vice President

JEG/am

Enclosure

Friday Nov. 2
8:30 AM - 11:30 AM

Clyde Davis

FILE

Horne
(Stewart
Coast Co)
Tombstone
Cochise Co
AZ

I 1957 - Gene Turley^A Assoc. on a 1/6 deal brought Mr. Suitor's property in because of the sericite. - 7-8 micron size

Suitor & Turley worked on Ser. prod. probs.

drying
discoloration caused by fine py
Trial

Settling tanks
steam drying beds.

Both rejected

Then trial cyclone drying on
a pilot basis

Sold \$40K to the Bree Co
of L.A.

Flotation not tried - not
enough money

II

Harlow Jones - was there for
2-3 years doing assessment of
Stormy airplane - actually lived
there part time while selling
used airplanes. Only bare
assess. work done

III

a. D.P. flew the Charleston Area & obtained an anomaly for Copper. - much larger than the original 6 claims. The larger claim block was staked as a result of his work.

b. A variety of tests were made on Dal P. eqnips were made by traversing known drilling projects

C. Drill #3 was located by D.P. much problems w/ H₂O & caving were encountered. No sig ca was intersected

IV

Lloyd Hewitt - I.P. type G.P. Brought in
by Clyde Davis.

Q. determined that a sulfide body did exist. used both probes & profiles.

b. Extremely tight budget during all this time.

C. Cleveland C.I. ffs, U.S. Gyp. ASARCO,
INCO, P.D. offered to ~~the~~ log all holes which
was done except for #7 adjacent to Tenasco (S.H.
didn't want to change Teunio getting info) which had
a lot of Zn in it. It was located on Dal Peterson anomaly
but ~~not~~ ^{it was} ~~proven~~ ^{not proven} as worth.

D. In hole 405 There was traces of Ba

5A Drill Holes

1. Located to intercept sericite pit fault at 1,000'. It wasn't intercepted since it appears to go vertical rather than at its surface depth. Fairly thick zones of ser. in the upper portion. C. Davis logged the Ser carefully - w/Pb & Zn min.

2. moved over 300-400' to the E to P.C. the outside of the N-trending fault gouge & cut the stratigraphy.

3. Located N of Pit — test — based on Dal Peterson G.P. anom. lots of hi pressure H₂O, lots of "vags". Sericite in upper part of hole. It may have been washed out by hi pressure H₂O.

4. on side of hill near Airport

5. Diamond D.H. — 1/4 mile N. of Charleston Rd. 1000' of plastic pipe dropped in the hole — they were trying to do G.P. thru the plastic casing. Bill Lacey came down & looked at core at the behest of Clyde Davis.

5A. Asarco started as an air hole & Harvey Hays deepened for assessment work.

were
best holes

6. 300' just W of pit was drilled on Joe Eschepub
advice to locate his grade gr & zn. Never logged

7. Holes 7 & 8 were shallow & drilled to expose for gr
pods in the sericite area.

8. 300' - verticle - Just off entrance rd. in
gully.

Lime stone #1 hole - drilled near
Colina outcrop on W side of 3
Brothers Hills. This may be street
by the N wall of the mill bldg.
- now completely destroyed by candles.

9. Just to N.W. of storage tank.

10. Drilled after C. Casgrove left Home.

Core was split by a teacher in St
David.

Intervals were on basis of a hit or
miss basis. The there was some specific
hi grade intervals were picked out.

P.D. did the analytical work on
a grade basis. Ray Luckin supervised

Walker did logging work for
P.D. He dictated what core should
be split.

Harvey Hays or Mr. Horne would
know about drilling after 1975.

ASARCO may have skeletonized
core - which they may still have.
ASARCO was probably discouraged more
by the lowered copper market than
the hi lease payments to Horne

After ASARCO left, the property
was submitted to almost every major
Co. all said Too Deep!!

V Cont

- B. Huson Mining - Repts. by Dr. Barnes
drilled inclined diamond drill holes
across the fissure zone

IV Nash & Vogel & Annals
did work in the late 40s early 50s

July 7, 1981

A. Annals did assay work on
underground.

Houston, TX

RE: Field examination of the Newsboy property, Southeastern
Volcanic Mountains, Maricopa County, Arizona - Some thoughts
on origin and potential for further mineralization

Dear Ted:

On Tuesday, July 7, I made an examination of the Newsboy
property. The morning was spent with Tom Borovick, WGM
Geologist in Wickburg, examining old reports on the property.
The Newsboy area itself was visited for approximately 2 1/2
hours between 12:30 and 3:00. The visit was short because the
purpose of this consulting trip was to give an opinion as to
whether I felt the WGM program was justified or not. Geologic
mapping or other evaluation was not to be undertaken.

The WGM proposal for approximately \$250,000 worth of geologic
mapping, both surface and underground, with attendant thorough
sampling, is well thought out and certainly justified. I might
comment that it is very difficult to get a representative sample
from channel chips in rock of the type exposed in the Newsboy
open cut. It is quite heterogeneous with thick coarse veins
requiring a large sample volume to get a good representation.
Thus, I would say that in initial hand sampling is at all
encouraging, sampling by relatively large diameter drill hole
should be undertaken. Because of the porosity and cracks
present, I would suggest reverse circulation by a competent
contractor, using a six inch diameter hole with samples over not
graded in 5' intervals or possibly 2' intervals. I would highly
recommend Drilling Services, Inc. of Tempe, who have good
reverse circulation drills and high quality sampling apparatus.
I might also recommend Venture Drilling Company of Tucson, who
have probably the most outstanding sampling equipment in the
industry, though their drills are regular circulation rather
than reverse circulation.

Metallurgy appears to be the biggest problem. All of the data I
examined from Japaya, on forward, suggests that silver
recovery, without roasting or other pre-treatment, is only about
10% with cyanide. If an improved metallurgical recovery cannot
be made through some technological change, it is doubtful
whether the property would be economically viable at current
metal prices. I wonder if it might not be feasible to ship the
ore directly to the ARACO-Hayden smelter, as siliceous flux, as
was done in the early forties. While not as desirable as
producing your own bullion, the proximity of a railroad within
about a mile and a half from the mine, and a relatively short
haul of 120 miles, approximately to Hayden, might make this

Land Work

A. Claims too long

1. it was generally preliminary work
& it was hoped that it could
be later surveyed & corrected.

2. Only 2 working at any one time,
w/ underfunding.

3. Dissapourting drill results
precluded later surveying
work. C.C. knew that this
remedial work should be done,
CC saddled w/ unprofessional
help, low budget & unrealistic
time frame.

4. Discovery monuments placed
on the end lines to save
money.

5.

B. Drilling Location Work

1. appears to have not been filed
\$100/claim was then required
2. Jack Gilbert of Gilbert Const.
did all track work for the
discovered
3. Home office took care of
filing work - and they
apparently missed filing
the proper papers for
the location drill work.

C. Mustang Claims

1. Was actively mining on those
claims "when we were there"
in the late 60s. ~~He felt~~ Clarence
Cosgrove felt they were valid
& never tried to contest it.

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED #P362 667 851

November 5, 1984

Steven M. Halbert
James Stewart Company
707 Mayer Central Building
3033 N. Central Avenue
Phoenix, AZ 85012

RE: Forwarding the original 1984 county recorded assessment documentation for Apache, Horne, Jared, Stewart and Suiter lode claim groups, owned by James Stewart Company, Tombstone/Charleston Project, Cochise County, Arizona

Dear Steve:

Please find enclosed for your company's records the originally recorded assessment documents for the 1984 calendar year for the following James Stewart Company claim groups:

CLAIM GROUP NAME	TYPE OF DOCUMENT	PROJECT AREA
1. Apache, Horne, Jared, Stewart & Suiter claim groups	Proof of Labor [combined as one document]	Tombstone/Charleston Cochise County, AZ

This document has been filed and recorded in the records of the appropriate county recorder's office, and is, concurrently with this correspondence, being forwarded to the assigned office of the Bureau of Land Management. To my knowledge, this completes all filing requirements for the 1984 calendar year on claims held by the James Stewart Company in the Tombstone Mining District.

Sincerely,

Thomas E. Waldrip, Jr.
Thomas E. Waldrip, Jr.

TEW/ms

Enclosures: Apache, Horne, Jared, Stewart, Suiter Proofs

cc: James A. Briscoe
5701 East Glenn Street, Suite 120/Tucson, Arizona 85712/602-721-1375

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

CERTIFIED #P498 523 897

November 5, 1984

U. S. Department of the Interior
Bureau of Land Management
Arizona State Office
3707 North 7th Street
Phoenix, Arizona 85014

ATTN: Records Section

RE: Filing of evidence of yearly assessment work and/or letters of intent to hold mining claims in Arizona for the 1984 calendar year

Dear B.L.M. Official:

Please find enclosed county recorded evidence of yearly assessment work for the calendar year of 1984 for the following claim groups:

CLAIM GROUP NAME	TYPE OF DOCUMENT	CLAIM GROUP OWNER
1. T.S. Lode Claim Group	Proof of Labor	Tombstone Development Co.
2. T.S.A. Lode Claim Group	Letter of Intent to Hold	Tombstone Development Co.
3. S.H.M. Lode Claim Group	Proof of Labor	James A. Briscoe & Assoc., Inc.
4. M.M. Lode Claim Group	Proof of Labor	James A. Briscoe & Assoc., Inc.
5. B.H.A. Lode Claim Group	Notice of Intent to Hold	James A. Briscoe & Assoc., Inc.
✓ 6. Apache, Horne, Jared Stewart & Suiter Lode Claim Groups	Proof of Labor (contiguous claims combined as one document)	James Stewart Company

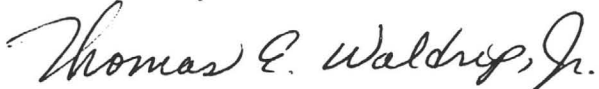
NOTE: The Suiter Group is comprised of 12 individually named mining claims.

Arizona B.L.M.
November 5, 1984
Page 2 of 2

We request that these documents be placed in their appropriate mining claim serial files. As will be noted, each separate document contains a "master claim list" containing pertinent county recording information and B.L.M. serial numbers assigned by your office to each individual mining claim. Should your mining claim computer records not have the recording information pertaining to the original Notice of Location, these lists may be used to update them.

Thank you.

Sincerely,



Thomas E. Waldrip, Jr.

TEW/ms

Enclosures: T.S. Proof
T.S.A. Letter
S.H.M. Proof
M.M. Proof
B.H.A. Letter
Apache, Horne, Jared Stewart, Suiter Proof★

File: Tombstone
Cochise Co. Az

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

November 7, 1984

Mr. J. E. Gunton, Vice President
Ocelot Mining Corporation
900, 333 - 5th Avenue SW
Calgary, Alberta, Canada T2P 3B6

RE: Submittal of data on prospects at the Painted Hills, Humboldt County, Nevada, the Tombstone Project, Cochise County, Arizona, the Muggins Mountain Project, Yuma County, Arizona, and the Bouse Hills Project, LaPaz County, Arizona

Dear Mr. Gunton:

I enjoyed our telephone conversation in October, and have received your letter of October 17, and the 1984 Annual Report. I am enclosing several pieces of data regarding the prospects we discussed in our telephone conversation.

In the case of Tombstone, we have done considerable work in this Laramide caldera complex over the last several years. Laramide volcanics as well as underlying Mesozoic and Paleozoic sediments host silver/gold mineralization as precious metal aureoles around more deeply seated porphyry copper deposits.

The Painted Hills alteration zone exhibits many characteristics similar to the Pyramid Project in the San Emidio Desert, Washoe County, Nevada. These include intensely silicified Barstovian lake bed sediments and tuffs in a probable caldera environment. The presence of currently active geothermal systems and strongly anomalous mercury antimony and arsenic are also common to the two. Geophysics indicates a possible large mass of silicified rock at some depth. We feel this prospect has good potential for disseminated gold mineralization and/or perhaps a mercury ore body like the McDermitt Mine, which exhibits similar characteristics. I might add here that I was instrumental in first exposing the McDermitt mineralization and most recently visited the deposit in May of this year. The Painted Hills project has not been thoroughly sampled and no drilling has been performed.

J. E. Gunton
November 7, 1984
Page 2 of 3

I am also enclosing a locator map for our Muggins Mountains project in Yuma County, Arizona. We became interested in this area some five years ago, while doing a literature research that indicated similarities to the Pyramid type environment (I first became acquainted with this environment some 18 years ago while working for Asarco at the Waterloo Project, near Barstow, California, which happens to occur in the same age sediments with the same genetic environment). Specifically, this includes silicified Miocene lake bed sediments (22.2 m.y.b.p.), containing uranium, lead, zinc, silver, and apparently spacially associated with at least placer gold mineralization. Further, the mineralization is closely spacially related to one of the few active geothermal springs in southwestern Arizona. Our recent field work, corroborated by a recent U.S.G.S. Open File Report on the area, indicates the presence of a low angle detachment fault of the same type that appears to be associated with gold mineralization in the Mesquite deposit, a few miles to the west in California. It may be that the placer gold is associated with this detachment feature. We feel that there is reasonable potential for a disseminated epithermal gold/silver deposit within the Barstovian lake beds, as well as possible potential for gold mineralization along the detachment feature. No thorough sampling or drilling has been done.

I first became interested in the Bouse Hills some 15 years ago, when we were following up on D. F. Hewett's (U.S.G.S.) work on manganese associated with epithermal silver mineralization. The Black Bird manganese mine in the Bouse Hills is an open pit along a wide zone of manganese oxide associated with epithermal silica mineralization in andesitic volcanics and sediments. Recent work by the Arizona Department of Geology and Mineral Technology indicates the Bouse Hills is probably underlain relatively shallowly by the Plomosa Detachment Fault. This could be the source of the epithermal mineralization. We have not done definitive sampling, and no drilling has been accomplished.

If any of the above prospects are of interest to you, I would be happy to meet with you at a mutually convenient time and place.

In addition, we have done literature research on epithermal gold mineralization in the California Coast Ranges and have screened, using a computer routine, some 18,000 prospects in California, yielding approximately 700, which have associations of gold, mercury and other pertinent metal or geologic parameters. We would like to propose an exploration campaign on this project, if Ocelot is open to this kind of work.

James A. Briscoe & Associates, Inc.
Tucson, Arizona

J. E. Gunton
November 7, 1984
Page 3 of 3

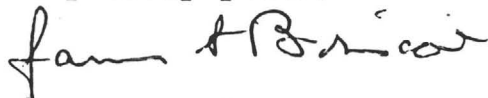
We also perform geologic contract and consulting services including:

- * Soil gas, mercury surveys using a Jerome Instrument Company gold foil mercury detector and computer reduction of data.
- * Ground magnetic surveys
- * Interpretation of color aerial photography and remote sensing data.
- * General field geology and mine evaluation.
- * Land Studies
- * Regional mineral exploration programs.
- * Detail mine evaluation programs.

We have a library that contains over 10,000 topographic maps covering most of the western United States, parts of Mexico, Alaska, Argentina, some 2,000 U.S.G.S. maps covering the Western United States, over 1,000 published reports and several hundred private reports covering Arizona, California, Nevada, New Mexico, and Utah.

I look forward to meeting with you.

Very truly yours,



James A. Briscoe

JAB/ms

Enclosures

TDC RVC

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

November 27, 1984

Bill Hight, President
Tombstone Development Company
P. O. Box 1445
Grand Island, NE 68802

RE: Summary Report regarding Western States Mining contract negotiations, recent developments, recommendations, and estimate for assessment work and fees on state and federal claims

Dear Bill:

SUMMARY

As I advised you by telephone, the deal with Western States Mining has fallen through. I will discuss the reasons in more detail below. I have submitted Tombstone to two additional companies, and have an appointment for a field tour in mid-December. However, because of the currently very low silver price and our lack of success to date, I am recommending that we cut all possible expenditures on the project, and wait for silver price increases. We have stopped applying for prospecting permits as of my October 16 telephone conversation with you. Because of the 100% increase in fees from \$25.00 per application to \$50.00 per application, this will cut our ongoing expenses in the next 12 months by approximately \$16,000. I have reviewed our current state leases, which will require assessment work in March, April and May of 1985. I have shown our leased land position on Attachment B, 1 through 4, corresponding to current holdings and Cases 1 through 3, each Case being a different possible land holding situation. In Case 1, we would hold approximately half of all of the land we currently have under state lease. In Case 2, it would be reduced, and in Case 3, it would be reduced to what I believe to be an absolute minimum. The total cost for holding the land is shown below.

	Rent @ \$1/acre -----	Fees @\$25/parcel -----	Assessment @\$10 & \$20/acre -----	Total -----
Current Holdings	\$2,647	\$175	\$50,550	\$53,372
Case 1	\$1,323	\$175	\$24,070	\$25,568
Case 2	\$ 883	\$200	\$15,270	\$16,353
Case 3	\$ 719	\$150	\$11,990	\$12,859

My recommendation is to opt for the minimum acreage and the minimum cost. The total cost will be \$12,859 in rent, fees, and assessment work.

I recommend that we perform the assessment work on the state ground by hiring the Escapule's new air-track drill, and drilling and assaying as much footage as can be obtained for the requisite \$11,990. This work should be started as soon after the first of the year as possible to allow for scheduling, mechanical, or other delays prior to the deadline of March 19.

It is not necessary to have the Federal work completed until September 1, 1985, so this can be put off until later in the Spring of 1985.

DEMISE OF THE WESTERN STATES MINING DEAL

When I first presented the Tombstone Mining District to Steve Thomas of Western States Mining, and the geology was examined by Bill Motzer, and Al Cerney came down and reviewed the land status, it was emphasized by both Tom Waldrup and myself to all of these men, that the central part of the district - essentially the TDC patented claims - were under lease to others, and could not become part of the deal except through negotiations with the lease holders. I believe that this was clearly passed on to the President, Buck Morrow, and it continued to be emphasized in my subsequent discussions with Al Cerney (as per your instructions) during our ensuing negotiations. In spite of this, it became apparent after we transmitted the proposed joint venture revisions authored by Bill Dolph, to Buck Morrow and Al Cerney, that indeed the central part of the district was a critical point. In retrospect, it appears clear to me that this is probably due to management short comings on Buck Morrow's part. He appears to not delegate authority well. Because Al Cerney - the land man who was prime negotiator for Western States Mining, is an

introverted personality, I believe that he was not clearly questioning Morrow, who has an explosive domineering personality, to understand clearly what Morrow was thinking. Further, Steve Thomas who was to have had a role in the negotiations and management of the project, was essentially sidestepped, and was never informed as to what was going on.

During a conference call between myself, Tom Waldrip, and Al Cerney and Buck Morrow in Denver, in which we were discussing Bill Dolph's counter proposal, Morrow took exception to Paragraph 4.3, which Bill Dolph had reworded so that Western States would have to supply the money and could not take dilution whereas TDC could opt not to contribute and be diluted. He felt this was extremely one-sided and unfair to Western States and the more he thought about it the madder he got, until he finally simply stormed out of the room and slammed the door, leaving Al Cerney, Tom and I with our mouths open. That has been the last time I have ever talked with Buck Morrow.

Tom and I continue to talk with Al Cerney and I suggested that he see if he could find out precisely what Morrow did want and get back with me. I talked with Al Cerney again on the 24th, he calling to say that he has still not had another chance to get with Morrow. I talked with Cerney again on the 28th. During this call he told me that Buck Morrow suggested that if we didn't get the patented property in the deal then they would want to forego the \$2 million loan called for in the agreement. I told him that I didn't feel that the Tombstone Development Company would go for that, and then I suggested a straight lease on the property with a net smelter return royalty.

On October 1, I got another call from Al Cerney, and I suggested the following:

- * A 12 1/2% net profits royalty on everything within the area of mutual interest and a buffer zone.
- * A \$400,000 exploration and development expenditure over a 2 year period.
- * A \$2,000 per month minimum royalty starting in the 3rd year on the patented ground and then \$3,000 in the 5th year, \$4,000 to the 7th year, and then \$7,000 per month in perpetuity.
- * A 6% net smelter return royalty on the T.E.I. ground.

Al Cerney thought that this sounded interesting, and said that he would get back with me.

On October 10, I received the October 4 letter from Arden B. (Buck) Morrow (see Attachment A), indicating that they were no longer interested in pursuing the Walnut Creek joint venture, and that the proposal that I had discussed with Al Cerney on the telephone on October 1, was not acceptable. I called Al Cerney to find out specifically what wasn't acceptable since Morrow didn't say. Al Cerney said that he would get back with me. I called again on the 12th for Buck Morrow and finally again on the 15th, at which time I talked with Al Cerney. He said the following:

- * \$400,000 too high in exploration expenditure in 2 years.
- * 12% too high a net profits royalty for the entire area, and beyond on that, he didn't know what Buck's objections were. Again he said that he would get back with me.

On October 18, I got a call back from Al Cerney and he stated that:

- * Buck was not interested in going into a mining lease at all.
- * He had heard of a problem with cyanide in the district.
- * Three weeks ago he made a trip through the district and had a negative impression of it.

And so comes to an end our efforts with Western States. It is impossible to put a finger on the exact cause, but I would say that the mercurial personality of Western States Minerals Corp. President, Buck Morrow, has played a major role. Obviously they were concerned with getting an entree into the central part of the district.

ACTIONS TAKEN AS A RESULT OF THE DEMISE OF THE WESTERN STATES DEAL

During our telephone conversation on October 16, Bill, we decided to terminate further applications for prospecting permits within the Tombstone district. Since the price for an application had been increased in September, from \$25 to \$50, this will save us \$16,000 over the next 12 month period.

I have also talked with two other companies which might have a possible interest, these being Ocelot Industries - a Canadian firm, and Northgate Exploration, Ltd., also a Canadian firm. I have an appointment to meet with John Prochnau, who represents Northgate, in mid-December.

POSSIBLE FUTURE ACTIONS AND OUR RECOMMENDATIONS

Since the current price of silver is extremely low, I think that we must get ourselves into a low cost holding position in order to wait for price improvement. While waiting for such price improvement, I will continue to monitor interest in the district.

Most companies are in the midst of planning and budgeting sessions at this time of year. Thus, there is not much point in making further contacts until after January. Then we should try again at marketing.

One bright spot on the horizon is that the State of Maine Mine will be going into small production on December 1. Charlie Escapule received a crusher capable of crushing State of Maine type rock from 12" to 3/8" inch, at a rate of between 90 and 100 tons per hour. They will be running their uncrushed leach dumps through the crusher and re-leaching them, as well as mining ore with a backhoe, much as I had suggested in my proposal to you earlier this year. I think that this will bring additional interest to bear on the district.

As mentioned previously, we have already ceased applying for state prospecting permits. Further, I have re-examined all of our state lease holdings in their relation to critical ground.

I have considered four cost scenarios. In the first we would retain all of our current holdings at a cost of \$53,372. Even though we could apply the state assessment work to the federal mining claims, I think the cost is too high.

There are four important areas covered by state leases. In order of apparent value or potential (at the present time and state of knowledge) these area:

- * The Robbers Roost Area,
- * The NE Portion of the Mustang Vein,
- * The Fox Ranch-Santa Ana Area, and
- * The Water Line-Terrible Claim Area

Tombstone Development Company
November 27, 1984
Page 6 of 9

Our objective is to firmly control these areas at the lowest practical cost.

I have reviewed each area, and created three cases in which land is reduced in some or all areas. As the land position is reduced, holding costs are reduced, but the risk of entry by competitors or not enough land to have a viable project is increased. In one extreme, we have more land than can be afforded, and at the other, not enough land to be of interest to a substantial company. I will describe my reasoning for each case below.

CASE 1

Fox Ranch - Santa Ana Area

Veins and alteration parallel to the True Blue and Santa Ana veins are present in the southeast corner of the parcel. I believe these have potential for production.

In the central portion of the parcel is flat ground, which could be used for a processing facility. Aside from this area, we are land locked since Tom Schloss controls the Fox Ranch claims of Ernie Escapule to the south, Uncle Joe Escapule controls the True Blue and Santa Ana, and unpatented claims to the east and rough hills to the north and west would prevent plant construction. Increased mining on surrounding ground as well as the State of Maine Mine might require this flat ground for processing and waste dumps.

I believe all the state land should be retained in this area in all cases.

Northeast Mustang Vein Area Section 18 and 19, and north 1/8 of section 30.

Section 18 and all of section 19, except for the southeast quarter contain only minor veins and alteration zones. It is felt that the area north and west of the Mustang Vein Zone can be dropped. The 160 acre block (southeast 1/4 of section 19), and the 160 acre block adjacent to the southwest (south 1/2 of the southwest quarter of Section 19, and north 1/2 of the northwest quarter of Section 30) should be retained. These cover respectively the northeast extension of the Mustang Vein, and the area adjacent to the Cab Group and the Mustang claims themselves.

The Robbers Roost Area

This area includes the central portion of Section 29, comprising some 320 acres, and the SE 1/4 of Section 30 (160 acres). The SE quarter section or 160 acres of Section 30 includes the Robbers Roost itself, is very important, and should never be dropped. It appears to directly overlie the center of a porphyry copper system represented at the surface by intense alteration and fluidized breccia pipes (diatremes) exposed at the surface. Drilling of three deeps holes by Asarco in the early 1970's confirmed alteration characteristic of porphyry deposits. Precious metal halos around the porphyry mineralization could yield substantial tonnages of precious metals, though possibly at substantial depth.

The 80 acres directly adjacent and to the east of the SE 1/4 of Section 30 should also be retained because they include breccia pipe material. Further, the 80 acre parcel north of the center of section 29 should be retained since the northwest corner lying to the west of the Charleston Road covers breccia pipe material, and this parcel could be underlain by precious metal mineralization peripheral to the porphyry copper system.

Waterline/Terrible Claim Area, Section 32

This section contains two patented claims along the Huachuaca Mountains - Tombstone Water Line, built in the 1890's. The claims were undoubtedly discovered during pipeline construction. Outcropping rock within this section is comprised of Bisbee Group sediments containing altered areas associated with manganese, silica, silver-copper veins, probably located peripherally around the porphyry copper center at Robbers Roost or possibly at the Charleston Lead Mine. This case suggests retaining the 160 acre block adjacent to the Robbers Roost state holdings, and also the southeast quarter surrounding the Terrible claims.

CASE 2

Case 2 is simply a reduction from Case 1. All comments in the descriptions in Case 1 are pertinent to Case 2.

Fox Ranch Area

All ground in the Fox Ranch Area should be retained as explained in the description of Case 1.

Northeast Mustang Vein Area

In Case 2, the northern 1/2's of both the 160 acre parcels have been chopped off, leaving two 80 acre parcels. Mineralization in the lopped off portions is minimal, and the only reason for retaining that acreage would be for dump ground or processing facilities, though conceivably hidden mineralization could exist. If we retain the federal claims lying to the west, adequate additional dumping areas as well as space for processing facilities would be obtained within a 1 mile or less distance.

Robbers Roost Area

The land retained would be the same as in Case 1 except that the 40 acre parcel to the east of the breccia pipe area west of the Charleston Road would be dropped, reducing the land holding by 40 acres.

Waterline-Terrible Claim Area

In Case 2, the 80 acres directly adjacent and catycorner to the Robbers Roost area would be retained, as well as the 124 acres surrounding the Terrible patented claims. The land holdings in this area would be reduced by 80 acres from Case 1.

CASE 3

Fox Ranch Area

Same as Case 1 and Case 2, all acreage would be retained.

Northeast Mustang Vein Area

The same as in Case 2.

Robbers Roost Area

In this area, the northern 40 acre parcel over the small breccia pipes would be dropped while the 80 acre parcel adjacent to the SE 1/4 of Section 30, but to the east of the Charleston Road, would be retained. The reduction in acreage would be 40 acres from Case 2.

Tombstone Development Company
November 27, 1984
Page 9 of 9

Waterline Area

The 124 acre block around the Terrible Claims would be dropped, and the 80 acres adjacent and catycorner to the Robbers Roost would be retained. The total acreage would be reduced by 124 acres from Case 2.

RECOMMENDATIONS

I recommend that the State land be reduced to the acreage illustrated in Case 3. This will allow us to retain a commanding position in the Fox Ranch/Santa Ana area, the northeast Mustang Vein area, and the Robbers Roost area. The total required assessment work, rental, and fees will amount to \$12,859.

I recommend that the assessment work of \$11,990 be performed by drilling air track holes to a depth of 120 feet using the new State of Maine airtrack drill. This is capable of drilling a 4 3/4" hole and obtaining a clean sample using a vacuum sample device. Five foot sample intervals should be taken. This will be the least expensive method of obtaining reliable drill information to a depth of 120 feet.

Charlie Escapule has told me the drill will probably be free in January. I recommend starting as soon after the first of the year as possible to allow for unexpected delays caused by their requirements for the drill, weather conditions, or mechanical breakdowns.

The federal assessment is not due until the last day of August, so a decision on federal work can be postponed until late Spring. We can probably skimp by and declare this state work for a part of the federal work requirement, thus covering some 120 claims.

Very truly yours,



James A. Briscoe

JAB/ms

Attachments

Western States Minerals Corporation

4975 Van Gordon Street
Wheat Ridge, Colorado 80033
(303) 425-7042

October 4, 1984

Mr. Jim Briscoe
JAMES A. BRISCOE & ASSOCIATES, INC.
5701 East Glenn St., Suite 120
Tucson, Arizona 85712

Re: Walnut Creek JV

Dear Jim:

Please be advised that Western States Minerals Corporation is no longer interested in acquiring a position in the Walnut Creek Property on a joint venture basis. We are therefore terminating negotiations of our proposed joint venture agreement.

If you wish to submit a proposal on a mining lease type of arrangement on the Walnut Creek Property with a chance to lease the TDC patented claim package at reasonable terms if it becomes available, we will consider it. The proposal discussed with Al Cerny by telephone on October 1 was not acceptable.

Very truly yours,

WESTERN STATES MINERALS CORPORATION

Arden B. Morrow

Arden B. Morrow
President

ABM:iw

TDC STATE LAND MINERAL LEASES
ALTERNATIVE POSITIONS FOR REDUCED EXPENDITURES

Fox Ranch - Santa Ana Area - SE portion of Section 8

Current holdings - 239 acres X \$10 = 2,390

Case 1 - 239 acres X \$10 = \$2,390

Case 2 - 239 acres X \$10 = \$2,390

Case 3 - 239 acres X \$10 = \$2,390

NE Mustang Vein Area - Section 18 & 19 & N. 1/8 of Section 30

Current Holdings - 603 acres + 643 + 80 = 1,326 X \$20 = \$26,520

Case 1 - 160 acres + 160 acres = 320 acres X \$20 = \$6,400

Case 2 - 80 acres + 80 acres = 160 acres X \$20 = \$3,200

Case 3 - 80 acres + 80 acres = 160 acres X \$20 = \$3,200

Robbers Roost Area - SE 1/4 Section 30, NE 1/4 & Central 1/4 Section 29

Current Holdings - 160 acres + 320 acres = 480 acres X \$20 = \$9,600

Case 1 - 160 acres + 160 acres = 320 acres X \$20 = \$6,400

Case 2 - 160 acres + 80 + 40 = 280 acres X \$20 = \$5,600

Case 3 - 160 acres + 80 acres = 240 acres X \$20 = \$4,800

Water Line Area - Section 32 - The Terrible Claim Area

Current Holdings - 602 acres X \$20 = \$12,040

Case 1 - 160 acres + 124 acres = 284 acres X \$20 = \$5,680

Case 2 - 80 acres + 124 acres = 204 acres X \$20 = \$4,080

Case 3 - 80 acres + 0 acres = 80 acres X \$20 = \$1,600

Rental @ \$1/acre

Current Holdings - \$2,647

Case 1 - \$1,323

Case 2 - \$ 883

Case 3 - \$ 719

Fees - \$25/parcel

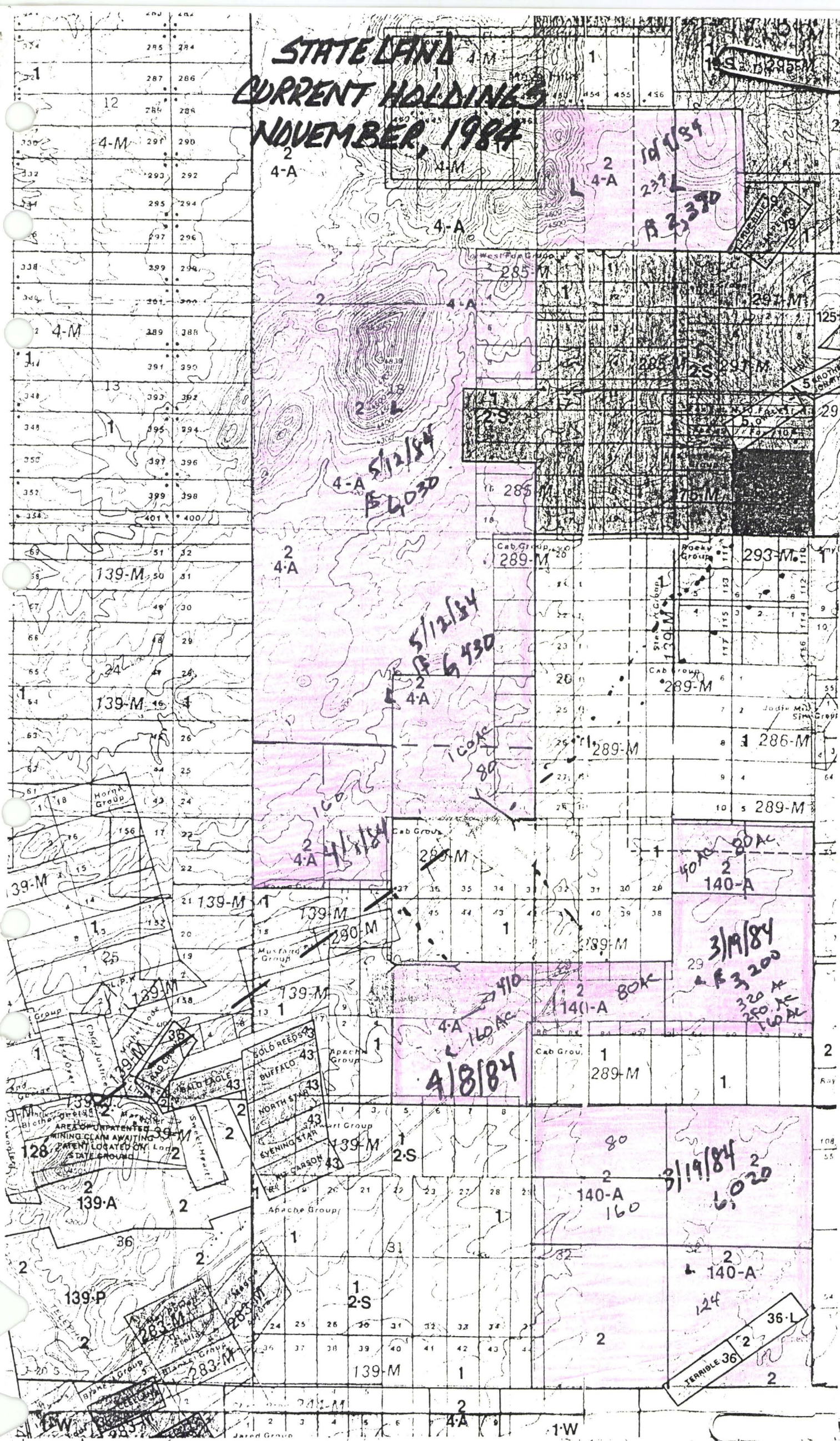
Current Holdings - 7 acres X \$25 = \$175

Case 1 - 7 parcels X \$25 = \$175

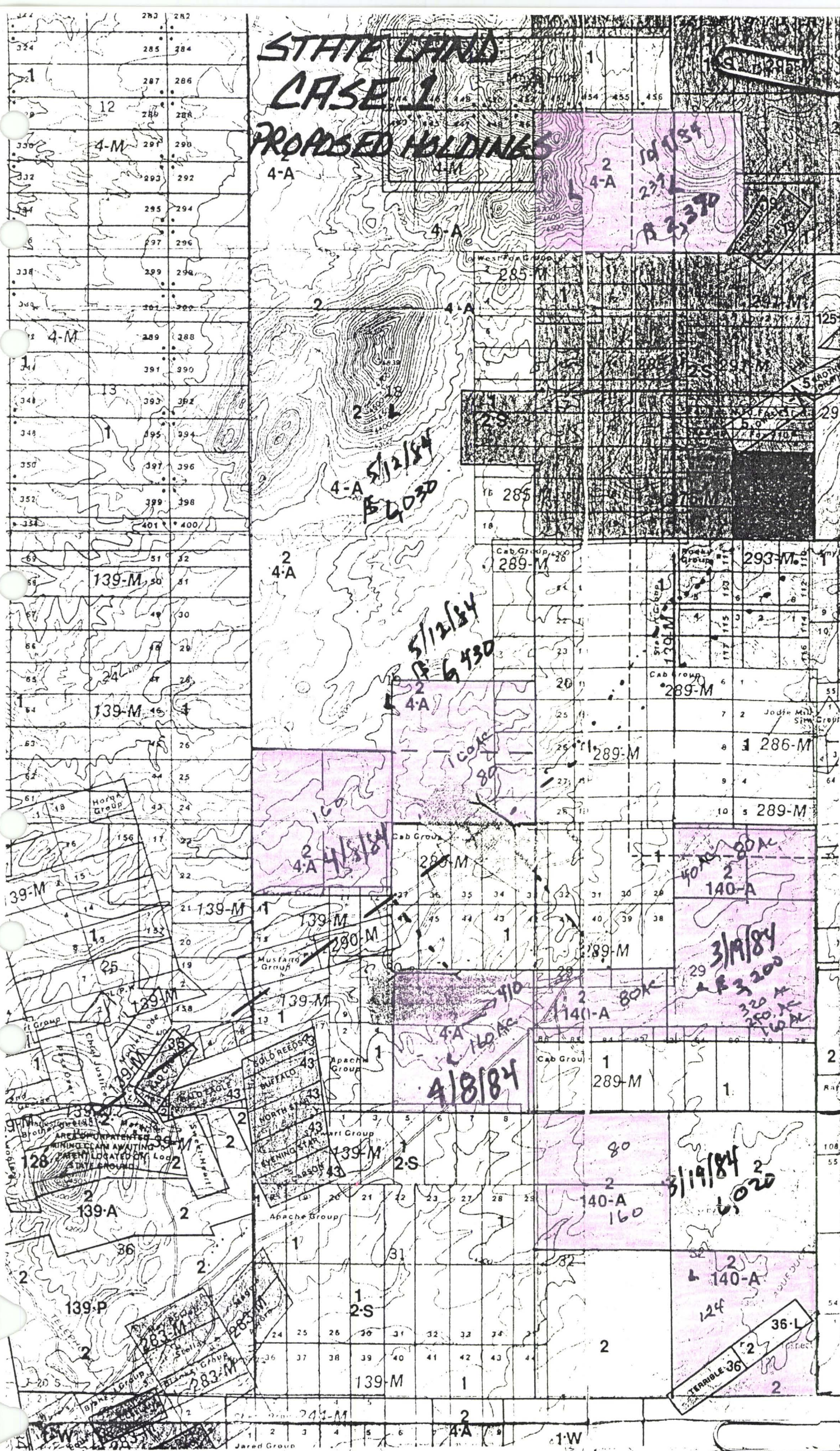
Case 2 - 8 parcels X \$25 = \$200

Case 3 - 6 parcels X \$25 = \$150

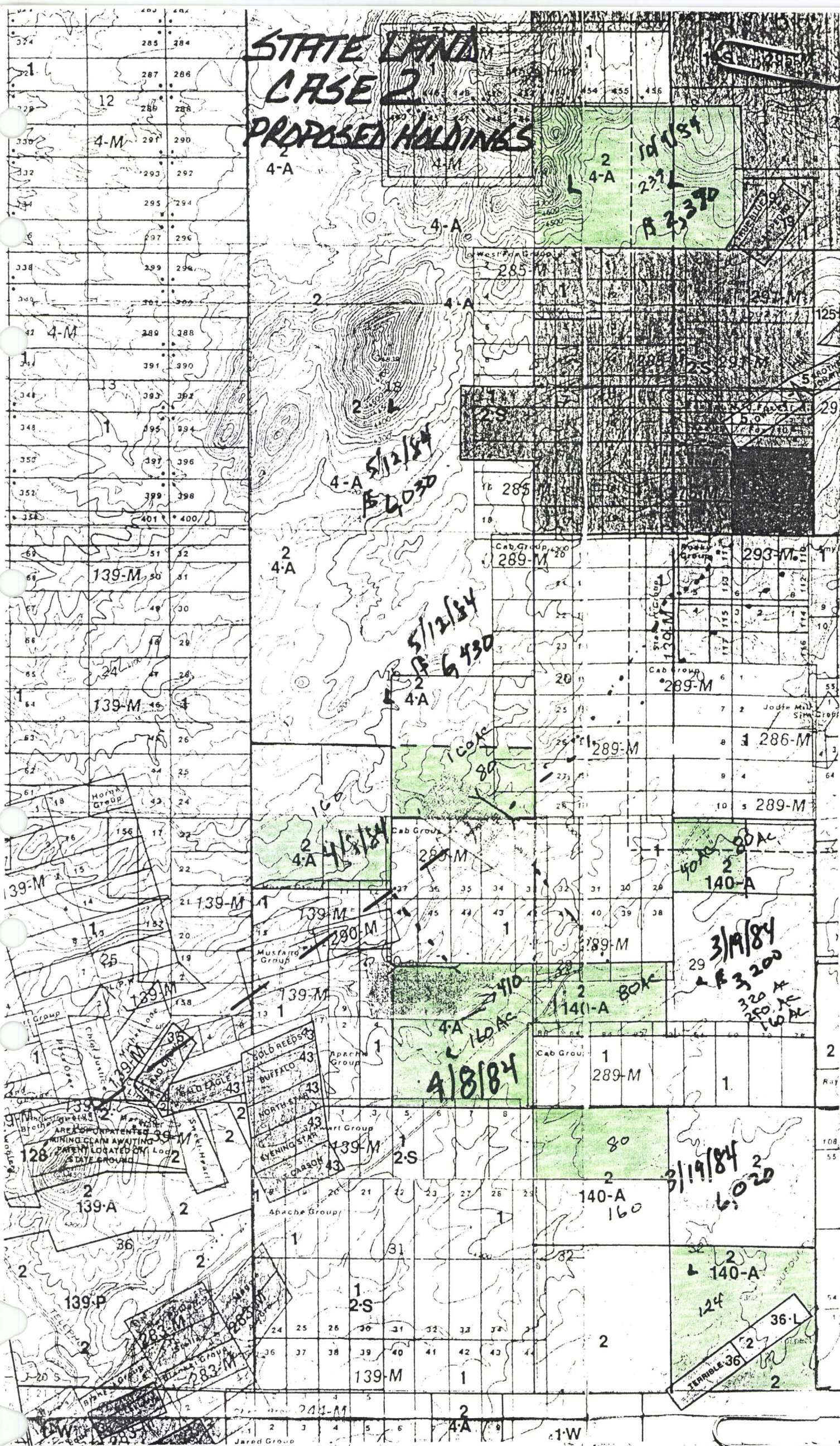
STATE LAND
CURRENT HOLDINGS
NOVEMBER, 1984



10-11-57



4-A



I Submission of Volumes of organized
Historical ^{Technical} Material on the Stewart Mines
Properties in the Charleston Lead Mine,
Area Tombsville M.D. Cochise Co.

A. Organization of Information of the
last 30 years of information
pertaining to the Charleston M.D.

1. Geotechnology - including mining
& metallurgy, geology, geophysics

2. Land States

II Preservation of Drill Sampling of
exceeding deep drill holes.

A. James Stewart Co.

Drill Holes 1-

Mr. Horne

Re: Submitted of final material
on Technical Work for the Ass. work
for the 1983-84 assessment year.

Dear Mr. Horne

1. Stewart Drill holes 1-5?

a. All an undisturbed core in "Office" Butler
Bldg at Charleston Lead mine

b. Vandals scattered and tore up perhaps
100 boxes

c. Weather deterioration (moisture)

pick Rncts & insect damage
made many boxes so fragile
to move.

d. Approximately 600 boxes of core
were re-boxed into new
boxes

e. Boxes have tops taped down
(approx 75 rolls of tape used) & are
moved to a wooden core shed
at the Escapahs 50M mine.

f. Boxes 95% organized

g. Boxes yet to be inventoried to
determine what is present & what is
missing

h. Core needs to be photographed

1. ease of re-examination
2. preservation in case core is destroyed by fire or vandalism
3. Can transmit to interested parties by mail while maintaining the original file in Vault.

g. Core Needs to be re-logged.

1. update on rock type & alteration with present knowledge.

h. Some core runs assayed should be.



2. ASARCO drill core - Charleston Drill
holes 1-3

$$1. \quad 3890 + \frac{5,028}{3,415} + 3003$$

$$= 11,921 \times 2014 = 238,420$$

Assume avg of 9.0' gcs in each box - then
= 1,324 boxes

We've collected 200 boxes

Prob. can collect 3 times that say
600 boxes

collected 200 boxes in 6 days (10 hrs/day)

$$\text{assistants } 3 \text{ at } \$21/\text{hr} \times 10 = 210 +$$

$$\$370/\text{day} \text{ for BRISCOE} + 60 \text{ food} + 30 \text{ Lodging (in SABA} \\ \text{franklin}) = 670 + 120 \text{ travel} = 790/\text{day}$$

$$\text{or } 79/\text{hr} \div 4 = \$20/\text{hr.}$$

$$6 \times 790 = 4,740 \div 200 \text{ boxes} = 23.70/\text{box}$$

$$\div 9' = \$2.60/\text{foot}$$

$$\$4,740 \times 3 = \$14,220$$

To Be Done

Done

- 1 I Review & Compile all Data
VI 21 Books of Info — Pages ✓
- 2 II Compile Property - Geology - Geophysical
map. $\frac{1}{2} +$
- 3 III Recover and relocate Vandalized
Stewart Mines Core. ✓
- 4 IV Recover ASARCO/Stewart Core $\frac{1}{4}$
- 5 V Reorganize and Photograph
all Core 0
- 6 VI Computer Cross Index all
maps and Data 0

1. Settle negotiations and make payments by December 30

* So sales work can start immediately at the first of the year -- while customers are flush with a new budget.

* Schloss can deduct one 1984 payment on his tax returns - this may be particularly important because of possible changes in the tax laws.

8. Map Surface Geology at

$1'' = 500'$ & $1'' = 200'$

7.8. Photo interpretative map at

$1'' = 2,000'$ and $1'' = 200'$

9. Collect surface Geochron Samples.

10. Re-Assay selected intervals from existing Drill holes.

11. Re-interpret the potential for an economic deposit of Silver, Lead, Zinc, gold sericite from the Charleston Lead Mine zone.

12. Do surface drilling to a depth of 100' using the escapable air track drill.

13. Calculate indicated ore reserves from that work

area shall be part of this package.

8. Briscoe will provide his time at no cost to sell the property.

Blind note: In the last four years, James A. Briscoe & Associates, Inc. has spent, for other clients in the Tombstone District, about \$150,000 in geotechnical work that will be put to work in the sales effort.

9. Schloss shall not partake, interfere, comment publically, or in any other way influence the negotiations or sales effort, but shall act as a silent partner in all ways.
10. Schloss shall agree to the best offer obtained during the year. The best offer shall be determined by an independent committee composed of:

Tom Chandler	- Briscoe Counsel
Ken Allen	- Tom Schloss Counsel
Dick Turgigliatto	- Accountant w/mining background
Bill Peters	- Mining geologist, author Exploration & Mining textbook, world recognized expert

If Schloss should not accept the best offer, then the project would continue for another year in which Schloss would pay all costs including:

\$100,000 to Briscoe
\$ 50,000 in expenses
1.5 years in lease payments

11. If no offers are received, then Briscoe shall be reduced to a 10% NPR or 1% NSR, whichever is greater

12. If successful Briscoe and Schloss shall share in the following manner:

For the 1st \$100,000 or portion thereof:

Schloss	Briscoe
00% or \$0.000	10% or \$10.00
2nd \$100,000	
80% or \$80.000	11% or \$11.000

(see Attachment for continuation)

until \$2 million shall have been paid. Thereafter Schloss shall be paid 60% and Briscoe shall be paid 40% of any further revenues

14. Determine feasibility of milling Charleston ore at the Alamo mill.
15. Try to get land patented around the Charleston mine.
16. Try to finance production at the Charleston mine - w/processing at Alamo.

2.70

22nd \$100K

23rd \$100K

24th \$100K

25th \$100K

26th \$100K

27th \$100K

28th \$100K

29th \$100K

30th \$100K

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

December 5, 1984

Mr. Seth Horne, President
James Stewart Company
707 Mayer Central Building
3033 North Central Avenue
Phoenix, Arizona 85012

RE: Transmittal of completed work for 1983-84 Assessment Year

Dear Mr. Horne:

I am transmitting to you with this hand carried correspondence, twenty-one hard bound books consisting of approximately 4,000 pages of sorted and compiled data concerning the Charleston Area of the Tombstone Mining District, Cochise County, Arizona. This is primarily data from the James Stewart Company files, and concerning the James Stewart Company properties in the Charleston Lead Mine area. However, there is additional data from a variety of sources, which we have provided. Included are the most recent academic works on the District, including a doctoral dissertation by Roger A. Newell, done at Stanford University in 1973. Also included are copies of all mining claim location notices filed within the District. Tom Waldrip has carefully sorted through your voluminous files, perused every document, and organized it in a logical sequence so that the information can be used for geotechnical purposes as well as land and legal purposes for future work. As there appears to have been well over a million dollars spent in the Charleston Area, primarily by or for the James Stewart Company, organizing the fruits of this work was a prerequisite to further work. We now have a firm foundation to build on.

We have organized the compendium into volumes based on subject matter, and books within each volume broken down chronologically and alphabetically. Thus, a general index appears as follows.

Volume I - Geotechnical Reports

Book 1 - Charleston Mine Area
Pages 1 to 185

Seth Horne
December 5, 1984
Page 2 of 5

- Book 2 - Charleston Mine Area
Pages 185 to 363
- Book 3 - Charleston Mine Area
Pages 364 to 588
- Book 4 - State of Maine Mine Area
Pages 589 to 781
- Book 5 - State of Maine Mine Area
Pages 782 to 855
- Book 6 - L. Courtland Lee Thesis
Pages 856 to 975
- Book 7 - Roger A. Newell Thesis
Pages 976 to 1194

Volume II - Maps

This is an open volume in which future maps which exist and might later become available can be later assembled into

Volume III - Drilling Logs, Reports and Assays

- Book 1 - Charleston Mine Area
Page 1 to 238
- Book 2 - Charleston Mine & Vicinity
Page 239 to 384

Volume IV - Mining Claim Location Notices

- Book 1 - James Stewart Claims
Page 1 to 184
- Book 2 - Claim Groups, Miscellaneous Claimants
Page 185 to 512
- Book 3 - Claim Groups, Miscellaneous Claimants
Page 513 to 697
- Book 4 - Claim Groups, Miscellaneous Claimants
Page 698 to 946
- Book 5 - Claim Groups, Miscellaneous Claimants
Page 947 to 1196

Seth Horne
December 5, 1984
Page 3 of 5

Book 6 - Claim Groups, Miscellaneous Claimants
Page 1197 to 1296

Book 7 - Claim Groups, Miscellaneous Claimants
Page 1297 to 1509

Volume V - Assessment Records and Title Searches

Book 1 - James Stewart Claims
Page 1 to 110

Book 2 - James Stewart Claims
Page 111 to 280

Volume VI - Miscellaneous Land Status

Book 1 - Charleston Area - Maps & Lists
Page 1 to 185

Book 2 - Charleston Area Leases, Claim Conflicts &
Rulings
Page 186 to 392

Book 3 - Tombstone and Vicinity
Page 393 to 481

The first book of each volume begins with Page 1, and then the pages are numbered chronologically. In this way, as subject matter is added, an additional book (initially in ring binders) can be added, and the pages numbered sequentially. Thus, the data base can be continually added to, but never get confused or out of order.

All of the James Stewart Company diamond drill core from the "Office" Butler Building core shed at the Charleston Lead Mine that had not been vandalized beyond recovery, has been reboxed and transported to a wooden core shed at the Escapule's State of Maine Mine. The Escapule's are allowing us to use this space rent free for at least the foreseeable future.

As the slides I will be showing you today demonstrate, the core was incredibly vandalized. When I made my estimate to you last year, I had looked at it some months before, and it was in reasonably good shape and not vandalized. However, upon arriving to start, we found that we had trouble even getting in the core shed door. Because the vandalism had been so thorough and had taken such an obvious amount of effort, we wonder whether somebody within the District wasn't purposely trying to destroy the James Stewart Company geologic information.

Seth Horne
December 5, 1984
Page 4 of 5

Coreboxes from the upper stacks had been pulled down and thrown into the isles after many of the labels from boxes below had been torn off. Luckily, the core shack was crowded so as core boxes were pulled down from above, they protected those boxes beneath the pile. It did take two people (myself and an assistant) one full day of work just to get a six foot diameter space to work within the door entryway into the core shed. Then another three to four days of back-breaking tedious work of reboxing identifiable spilled core to work our way towards the sliding truck bay entrance door. Almost all boxes had to have new tops. Several hundred boxes were so rotten from age and/or exposure to moisture that they could not be moved except by placing the core in another box. In all, we used approximately 600 new boxes.

Though we have not yet made a thorough inventory, we believe at least 100 boxes of core were completely destroyed, but most of the rest we were able to identify and save.

Of more difficulty is the area where the Asarco core was stored. Here we are doing an archeological type dig to recover several hundred boxes that are probably underneath the heap of unboxed core. Apparently the same thing was done to the Asarco core storage shed - but more thoroughly since it was in a wooden and tin building. The walls of the building were apparently pulled or pushed down, and then the core scattered in a manner similar to that done in the metal Butler building. However, ensuing years have carried the exposed boxes completely away leaving a pile of core. However, beneath this core are two and in places three layers of boxes in which the labels and core order can still be identified. We have recovered approximately 200 boxes from this stack and feel that we are approximately 25% complete. A conservative estimate of the cost to reproduce the Asarco drilling would be 1/4 million dollars. Since it is unlikely that that drilling will ever be repeated in the foreseeable future, I feel that recovering this core is a key element in the complete understanding of the district, and may be the key to unlocking its future. Thus, I think money spent on the core recovery will be invaluable.

Our compilation map of geology, geophysics, land status, etc., which we have been compiling from the data in your files, is only 1/3 to 1/2 complete. We underestimated the amount of vandalism and time to reconstruct the core, as well as the volume of documents requiring compilation. However, most of that is now behind us.

We have made a good start on the assessment for the year 1984-85, and hope to have it complete within the next 60 days.

James A. Briscoe & Associates, Inc.
Tucson, Arizona

Seth Horne
December 5, 1984
Page 5 of 5

I will have a more detailed list of objectives and goals for completion to you by mid-December.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James A. Briscoe".

James A. Briscoe

JAB/ms

Attachments

James A. Briscoe & Associates, Inc.

Exploration Consultants:

Base and Precious Metals/Geologic and Land Studies/Regional and Detail Projects

James A. Briscoe
Registered Professional Geologist

Thomas E. Waldrip, Jr.
Geologist/Landman

December 19, 1984

U. S. Department of the Interior
Bureau of Land Management
Arizona State Office
3707 North 7th Street
Phoenix, AZ 85014

Dear B.L.M. Official:

Please be informed of the following changes regarding materials not included on the "Mining Claim Annual Assessment Reminder" received recently from your office for various claim groups in Arizona.

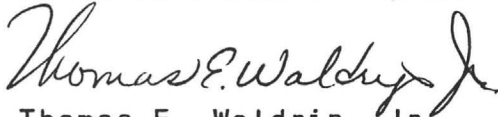
Specifically, our clients, James Stewart Company, did not receive any notice in regard to their Jared Claim Group numbers 1 through 27, inclusive, B.L.M. serial numbers A-Mc-109868 through A-MC-109894 (reference B.L.M. sheet I.D. No.'s 4985 through 4989). We hope this was an oversight on your part, as it is our as well as our client's contention that these claims are valid and remain so.

Should this not be your understanding, please notify the claimant of record and myself of this fact so that immediate action may be taken to resolve the problem(s).

Thank you for your attention to this matter.

Sincerely.

JAMES A. BRISCOE & ASSOC., INC.



Thomas E. Waldrip, Jr.
Geologist/Landman

TEW/ms

Tew

MEMO

TO: James A. Briscoe
FROM: Thomas E. Waldrip, Jr.
DATE: December 31, 1984

RE: James Stewart Company Jared unpatented lode mining claims, Tombstone Mining District (Charleston), Cochise County, Arizona

Jim,

This memo is in regard to a telephone conversation of this morning (T.C.#316) with Nancy of the Arizona State office of the Bureau of Land Management. Pursuant to our conversation, it appears that the Bureau of Land Management records indicate that the 1982-83 (1983 calendar year) assessment records for the Jared (27 claims) Group were not filed with them, thus leading to our having not received a claim group assessment reminder form to fill out for this current 1984 assessment year. Further checking of my records indicates that this may indeed be the case, as I have no indication in my files of either 1981-82 or 1982-83 recording of this claim group.

To date, I have assumed, although apparently incorrectly, that these records were incomplete. I was not totally satisfied that I had all necessary documents, and, indeed, some items were suspected to be missing from my records. However, without extensive searches of James Stewart Company files, which I felt would be fruitless, I believed we had reached the point of diminishing returns - until now!

My concern is that this claim group has been overlooked, and not filed with the B.L.M., although intended to be. It appears that sufficient work was declared in 1981-82 to cover all claims (\$15,500), but 1982-83 declared work was short by \$400, or in other words, \$15,100 worth of work was declared, leading to some confusion on my part of exactly what was happening. If all claims were included in declared assessment work, a total of \$15,500 declared work value would need to be performed yearly. In neither document, however, does the Jared Group show up, that was filled out with the B.L.M., leading me to conclude that the claims are null and void, as intimated by Nancy.

Not to make things even more unsettled, but the B.L.M. will not be making further decisions regarding the validity of such claims, until a law suit (class action as I remember) filed in Nevada, is settled. (This being to determine if the B.L.M. has the authority to declare claims null and void should the mineral claimant forget or error in notifying the B.L.M. on a yearly basis of his, her, or their intent to hold mining claims or declares yearly assessment work). Notwithstanding, I feel a good argument exists by the Nevada claimants and they have a

MEMO to J. A. Briscoe
December 31, 1984
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good chance of winning their case, however, I have mixed feelings of the results that would be obtained, should they win. It would appear that a favorable judgement would, in all reality, water down the 1976 mining legislation to a point where it would become no better than the mining law of 1872, in regard to voiding claims. I definitely don't want to see this, as it would once again place most cases back in civil proceeding, from which no one wins. Enough said.

It would appear that few options are open at this point as how to solve this problem. I am put in a rather onerous position to make recommendations without benefit or knowledge of the final results of the above mentioned Nevada legal action. My immediate reaction was to relocate the claims immediately, however, this, I believe, was an immature reaction to the situation. I would, therefore, suggest a more moderate approach. First, it would be a wise decision to check records both at Bisbee and the James Stewart Company offices to be sure that no further records exist in regard to the 1981-82 and 1982-83 assessment records. Should anything be found, we may be able to convince the B.L.M. that sufficient recorded records exist to make them (the B.L.M.) accept the fact that they (the B.L.M.) have misplaced filed copies. Without results here, I would amend all Jared claims, post these notices in the field, and then file these with the County. Sufficient inference on these amended notices of location would be provided to allow them to stand as either amendments, relocations, or new locations, so stating reason(s) for amendment. Amendments would then be filed with the B.L.M.

Now my dilemma. Should the case in Nevada be found in favor of the B.L.M., the original Jared group would probably be declared null and void, leading to an interesting question. How would the new amended notices be considered? By a rather arbitrary definition, one could argue the amendments as being a new location, leading to a possible appeal to the Board of Land Appeals, should the Arizona State B.L.M. void the amended location notices. One may eventually have to relocate the 27 Jared claims, but by following my suggestions, I believe within a reasonable framework that mineral claims would remain inherent to James Stewart Company throughout this interim period. Additionally, I believe under the circumstances it would be advisable to obtain legal advice before proceeding further.

Several important points should be pointed out in conclusion. Namely, the ground covered by the Jared claim group, although not centrally located in respect to known mineralization, is within observable limits of alteration and mineralization trends, and this fact enhances the James Stewart Company

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property position, at least from a scientific, technical, and strategic stand point. The claims should not be dropped or lost until a more complete evaluation is performed. Further, many of the Jared claims are in need of being amended for one reason or another, and, thus, this may be a desirable time to do this work, not to mention the re-establishment of mining monuments, many of which are or have been removed. Should the Jared claims be amended and the Nevada legal action be in favor of the mineral claimants, nothing would be lost as the Jared claims as mentioned earlier needed to be amended in any case anyway.

Finally, a complete and new land status survey has not been performed in the area, taking these potential problems into account, and thus, there is some concern on my part that certain Jared claims may have had a third party intervening location, creating even more problems. This is being looked into currently, and I will report results shortly.



Tom

TEW/ms